Daily Report

Latin America

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Cuba

Minister Hart Discusses USSR, CEMA Affairs

Awaiting Gorbachev Visit

FL2401163189 Havana Radio Reloj Network in Spanish 1502 GMT 24 Jan 89

[Text] Armando Hart, member of the PCC Politburo and minister of culture, has stressed the importance our country gives to Soviet leader Mikhail Gorbachev's future visit. During a news conference in Moscow after he addressed the CEMA Executive Committee meeting, Hart highlighted the great identification existing between the policies of Cuba and the USSR.

After recalling that the visit could not take place last December because of the earthquake in Armenia, the minister gave his assurance that the Cuban people and authorities want to give Gorbachev a great welcome when he visits Havana. Hart said it is not yet known when the Soviet leader's visit will take place, but Cuba is aware of the great responsibility he has in leading his country and he is awaited with open arms.

Relations With USSR 'Great'

FL2501025489 Havana Television Service in Spanish 0100 GMT 25 Jan 89

[Text] Cuban Culture Minister Armando Hart Davalos has held a news conference in Moscow. Hart spoke yesterday at the 130th CEMA Executive Committee meeting on behalf of his counterparts from socialist countries.

During the meeting, Hart asserted that it was necessary to be alert to the lag which exists in the technical-material base in (?the) culture of CEMA countries in comparison to developed capitalist countries. He added the [word indistinct] problem exists and that it should be solved through bilateral and multilateral cooperation. He also said that today there are already discussions being held regarding this issue, and that it is being studied industry by industry to identify the (?items) which are not produced by the socialist community.

Hart said that relations between Cuba and the Soviet Union are great.

Envoy, Pope Discuss 'Possible' Visit to Havana

FL2401020389 Havana Radio Rebelde Network in Spanish 0050 GMT 25 Jan 89

[Text] Pope John Paul II has received the Cuban ambassador to the Vatican, Manuel Estevez, who paid him a farewell visit after concluding his diplomatic mission at the Holy See.

During the conversation, which was held in a cordial atmosphere, they discussed the recent statements made by Cuban President Fidel Castro to PRENSA LATINA news agency on a possible visit to Cuba by the pontiff. His Holiness was grateful for the statements made by the Cuban president and requested that Estevez convey his wishes for success to the Cuban Government and his congratulations to the people of our country.

Tripartite Accord Meeting at UN Described

FL2401133689 Havana Tele-Rebelde Network in Spanish 1200 GMT 24 Jan 89

[Text] Delegations from Angola, Cuba, and South Africa have begun talks in New York to establish a commission to oversee the application of the tripartite agreement that was signed last December. The joint commission will serve as a forum to settle any controversy that may arise in the interpretation of the agreement on southwest Africa and complies with the guidelines established in the Brazzaville protocol.

According to the timetable, the meeting should end today with a round of debates. Also present at these debates will be representatives from the United States and the Soviet Union, countries which will integrate the commission as observers.

The tripartite agreement signed last 22 December in New York gives Namibia its independence in accordance with UN Resolution 435, after 73 years of South African domination. On the same day, Cuba and Angola signed an agreement which establishes a 27-month timetable for the gradual withdrawal of Cuban internationalists from that country.

The Cuban delegation, which will meet today with UN Secretary General Javier Perez de Cuellar, is headed by Carlos Aldana, member of the Secretariat of the PCC Central Committee. Heading the Angolan delegation is Antonio dos Santos Franca; (Neil Van Heerden), director of the the Foreign Relations Ministry of Pretoria, is in charge of the South African delegation.

Chester Crocker, assistant secretary of state, is attending the meeting on behalf of the United States and Ambassador Ustinov [not further identified] represents the Soviet Union.

Next Meeting in Luanda

FL2501040689 Havana Radio Reloj Network in Spanish 0302 GMT 25 Jan 89

[Text] The joint commission for the Angola-Cuba-South Africa tripartite agreement has ended its (?constitutive) meeting at the United Nations today and has agreed to hold the next one in Luanda at the end of next month.

During the meeting, the Cuban Government's delegation reiterated its support for the position of Nonaligned countries who defend the complete application of Resolution 435 for the independence of Namibia at the UN Security Council headquarters.

Cuban spokesperson Alcibiades Hidalgo gave many arguments emphasizing the initiative and the close relationship of that (?matter) to the application of the tripartite agreement signed at the United Nations by Angola, Cuba, and South Africa on 22 December of last year. This agreement will permit Namibia to attain its independence, while Pretoria pledged to respect the territorial integrity and sovereignty of Angola.

Further on Foreign Minister's Trip to PRC

Tours City of Shanghai

FL2301161289 Havana Radio Reloj Network in Spanish 1513 GMT 23 Jan 89

[Text] Cuban Foreign Minister Isidoro Malmierca and the accompanying delegation today visited the Chinese city of Shanghai, where they were greeted by Mayor Zhu Rongji.

During the visit the Cuban delegation toured the shipyard of the largest Chinese city, where container ships are built for Cuba. Malmierca talked with the director and workers of the establishment.

While the meeting was taking place, the motor vessel "Camilo Cienfuegos," which is in the final stages of construction, was undergoing its navigation tests. At the end of the meeting, Shanghai Mayor Zhu Rongji met with Malmierca and gave a welcoming dinner in his honor.

The Cuban delegation will leave tomorrow for the city of Chu-chou to continue its tour of east and south China.

PRC Ambassador Comments

FL2401171189 Havana Radio Reloj Network in Spanish 1504 GMT 24 Jan 89

[Text] PRC Ambassador to Cuba (Tang Yongui) has asserted in this capital that the visit paid to his country by Cuban Foreign Minister Isidoro Malmierca is an important event in the development of bilateral relations. The diplomat expressed satisfaction with the growing exchange of delegations between the two nations and remembered that relations were reestablished in 1960.

The Chinese ambassador noted that no Cuban foreign minister had visited the Asian country since then and reiterated that Malmierca's presence there was preceded by important events such as President Fidel Castro's visit to the Chinese Embassy in Havana. (Tang Yongui) also said that representatives of the PRC party and Government traveled to our country to participate in the festivities marking the 30th anniversary of the triumph of the revolution.

Further Reportage on November CTC Plenum

32480053b Havana TRABAJADORES in Spanish 26 Nov 88 p 12

[Article by Iliana Hautrive]

[Text] Rene Penalver, second secretary of the Central Organization of Cuban Trade Unions (CTC), stressed the need for all workers to be privy to the analysis of the final evaluation of socialist emulation for 1988, and for the process to be free of bureaucratism. He made these statements in summing up the provincial emulation plenum of the CTC in Havana.

Penalver, who is also a member of the Central Committee, pointed to the urgent need to carry out the evaluations very rigorously and to discuss them with the masses, even if the collectives have not obtained favorable productive results to enable them to attain the category of "cumplidor" [achiever].

Some guidelines for this final evaluation were presented at the meeting. In this regard, Francisco Travieso, member of the CTC Secretariat, indicated that on this occasion, for the purposes of collective emulation, labor productivity will be evaluated only against the plan for the year in each emulation unit, rather than comparing it to the previous period, as was the practice until 1987. This is because of the deterioration that had to be considered in planning, taking into account the economic limitations the country faces.

In addition, the analysis of earnings and profitability has been eliminated, because the important thing is to focus on costs, as stated in these guidelines.

Some new clarifications have been introduced for the evaluation of the emulation units in the productive sphere. This is true of compliance with the supply plan, when central and government decisions require changes due to production or quality imperatives or to the lack of raw materials, making it impossible to fulfill the original plan or affecting some efficiency values.

If a unit does fulfill the new supply plan, it may go through the provincial agencies to the national trade union organization so that the latter, in coordination with the agencies and with input from the provincial CTC, may decide whether to award the emulation category of "cumplidor" to the unit in question.

The plenum also evaluated the draft of general guidelines for the organization, development, and control of emulation in 1989 for the purpose of gathering the opinions of intermediate organizations in the interest of improving this mechanism for next year.

* Statistics on Computer Use, Equipment Noted

32480053a Havana GRANMA in Spanish
25 Nov 88 p 2

[Article by Roberto Paneque Fonseca]

[Text] The insufficient use of the large and medium-sized computer facilities installed in Cuba and the urgent need for all enterprises to automate their administrative and financial tasks create a contradiction that requires immediate attention.

At this time more than 200 medium-sized and large computer systems are operating in the country. They are used and underused by more than 30 agencies and entities in the 14 provinces and the special municipality of the Isle of Youth.

The vast majority of these complex electronic computing devices are CID-300/10 minicomputers, which are produced nationally, and large computers of the ES (Unified System) series, models 1040 (GDR), 1036, 1035, and 1022 (USSR), which are manufactured jointly by the Unified System of Electronic Computer Machines (SUMCE) of the Council for Mutual Economic Assistance (CEMA).

In addition to these open potential capacities, there is demand in the form of requests from numerous organizations that more equipment be approved for them. The National Institute for Automated Systems and Computer Technology (INSAC) is studying this situation in detail, case by case, before deciding on approval.

Among the variables that must be studied thoroughly is the burden that may be represented by many computer centers that operate only one shift per day (or two, at the most), which means that the computers are shut down 8 to 10 hours a day.

Theoretically, these machines can be operated 720 hours a month (24 hours a day, 30 days a month), but taking into account four Sundays and two Saturdays that are not work days, this time is reduced to 576 hours, that is, 80 percent of the time that is theoretically available. Actually, however, it is estimated that the machines are used about 40 percent of the time.

The conclusion that can be drawn from this is that each of these computer devices in the country spends about 288 hours a month idle.

Altogether, the monthly deficit exceeds 50,000 hours, enough to automate the payroll, inventory, and rotation systems of the nation's enterprise system. This figure is five times greater than that of the INSAC monthly processing plan, which averages 10,000 hours.

* Job Violations, Inspection Calendar Detailed

32480054 Havana TRABAJADORES in Spanish
13 Nov 88 p 9

[Text] The objectives of the inspection that we intend to conduct with this guide are related to the violations of labor discipline committed by the workers, their attitude and that of their trade union organization toward management's actions and its exercise of the powers vested in it by law to impose disciplinary measures, and toward the trade union's actions with respect to the excesses and weaknesses of state managers and administrative officials in their respective positions.

Whether or not the objectives are met will be determined on the basis of the administrative resolutions establishing the disciplinary measures that have been dictated. Whenever it becomes necessary, workers will be interviewed and the management of the workplace will be consulted.

Law No 49 (Labor Code)

1. Failure to adhere to work schedule. 2. Unexcused absence. 3. Lack of respect for superiors, coworkers, or third parties at the workplace or on the job. 4. Disobedience. 5. Physical or verbal abuse of superiors, coworkers, or third parties at the workplace or on the job. 6. Negligence. 7. Violations of the regulatory provisions of the laws on State Secrecy and safety and physical protection. 8. Damage to property of the labor entity on the job. 9. Loss, theft or diversion, and appropriation through deceit of property or assets belonging to the workplace or to third parties. 10. Acts or behavior that may constitute crimes at the workplace or on the job. 11. Failure to observe the current disciplinary regulations at the workplace. 12. Failure of the worker, without good cause, to fulfill the duties set forth in legislation on occupational health and safety. 13. Workers compensated for damages resulting from the improper application of measures imposed.

Other Aspects Constituting Violations

14. The failure to indicate, in the written notifications of the measure imposed, the importance and seriousness of the infraction, the consequences of it, the concurrent circumstances, the worker's record, and his present behavior (Articles 159 and 160, Law No 49).

15. The failure to apply the disciplinary measure within 30 working days of the discovery of the violation, and within 1 year of the occurrence of the violation (Articles 163 and 164).

16. The failure to apply the disciplinary measure within 60 working days of the day on which the infraction was committed (Article 162).

17. The failure of the management to pay compensation 30 days after the term, for the improper application of measures (Article 7 of Decree No 80/81).

18. The failure to execute final court judgments (Articles 720 and 725, Law No 7 of 1977).

Decree Law No 34

1. Revealing the content of tests, exams, and other materials or information prepared by the appropriate state agencies for the evaluation of students, prior to the proper time for such disclosure.

2. Placing or aiding in the placement of incorrect information and facts in records of grades, exams, tests, and other educational evaluation documents, altering what is stated on such documents, or delivering such falsified document or conducting any transaction with it.

3. Acting with the clear intent to violate established norms for measuring the objectives of the course in writing tests or exams and the grading keys for the same, for the purpose of altering the results, and, with the same intent, failing to exercise supervision and the necessary discipline in the administration of said tests or exams.

4. Maintaining an attitude contrary to compliance with the duties of defending the fatherland with arms, showing respect for its symbols, and other duties set forth in the Constitution.

5. Committing acts that show disregard for the flag, the anthem, or the national coat of arms.

6. Defaming or publicly maligning the institutions of the Republic, the political-social and mass organizations of the country, and the heroes or martyrs of the fatherland.

7. Offering or showing to students books, publications, stamps, photographs, or other objects of a patently obscene and pornographic nature or with a deviant content.

8. Inducing students to participate in gambling or drinking alcoholic beverages.

9. Engaging in serious and overt acts contrary to socialist morality and to the ideological principles of our society.

10. Committing any other act that might constitute an intentional or slanderous crime, or having an immoral, counterrevolutionary or other type of attitude that could, because of the entity involved and the social importance, harm the development of children or youths.

Decree Law No 49 on Railroad Discipline

- Number of workers exonerated
- Number of workers punished with permanent dismissal

Decree Law No 57 on Disciplinary Measures for Workers Employed at Scientific Research Centers

- Number of workers punished
- Number of workers who appealed
- Number of workers exonerated

Calendar for Union-Labor Inspection To Be Held in First Quarter of 1989

- Signing of joint agreements between National Trade Unions and agencies of the Central State Administration (6-13 December 1988)
- Seminar of Provincial Trade Union Committees to the Secretaries of Labor and Social Affairs at the municipal levels (14-20 December 1988)
- Seminar of Trade Unions to the Secretaries of Labor and Social Affairs of the trade union bureaus and sections (20-27 December 1988)
- Inspection conducted by trade union sections or bureaus (January-February-March 1989)
- Delivery of results of inspection by National Trade Unions to the Department of Labor and Social Affairs of the National CTC (20 April 1989)

Haiti

Seminar To Examine Government Ineffectiveness

FL1901233189 Port-au-Prince Radio Nationale in Creole 1400 GMT 18 Jan 89

[Excerpts] [Passage omitted] The Ministry of Information and Coordination announces that at the initiative of the Commissariat for National Promotion and Public Administration, a day of reflection on the reasons why the government bureaucracy is ineffective is being organized for today, Wednesday, 18 January. The general directors, administrative directors, and heads of personnel of all the ministries and all public agencies are going to participate.

This day of reflection, which will be held at the Christopher Hotel, is being sponsored by the president of the Republic and falls within the framework of the restructuring of the national public administration. This restructuring has been given a high priority in the program of public investments for 1988-89.

Another Information Ministry note says that a Justice Ministry notice announces that a court of conciliation has just been created in Baptiste, a village 19 km south of Belladere. [passage omitted]

Visiting Communists Hold News Conference

FL1901235989 Port-au-Prince Radio Metropole in French 1700 GMT 19 Jan 89

[Text] The festivities marking the 20th anniversary of the PUCH, the Unified Party of Haitian Communists, continue. The different communist party delegations present in Port-au-Prince on the occasion of this celebration met the press this morning.

The leaders of the different delegations expressed their solidarity with the struggle of the Haitian people to establish a just society.

The representative of the Dominican Communist Party, Mr Guillermo Santiago, highlighted the difficult conditions under which Haitians are living in the sugar camps [batey] of the Dominican Republic. The Dominican Communist leader also highlighted a campaign of mobilization presently under way in the Dominican Republic against the presence of Henri Namphy and Franck Romain.

Guillermo Santiago, of the Dominican Communist Party, also highlighted the good relations that exist between the Dominican Government—the Balaguer government—and the former Duvalierists who are currently in the Dominican Republic.

[Begin Santiago recording in Spanish with simultaneous translation into Creole; translated from Spanish] In the Dominican Republic today there is a big movement underway against the presence of Franck Romain and Henri Namphy, involving the entire spectrum of the Dominican Republic's political and labor organizations, including the Catholic Church, the College of Lawyers [Colegio de Abogados], and the journalists. The Union of Professional Journalists of the Dominican Republic [Sindicato de Periodistas Profesionales de Republica Dominicana] has asked the Justice Department to either return Franck Romain to Haiti or try him in the Dominican Republic. It accuses him of being the intellectual author of the death of Dominican journalist Carlos Grullon. This has led to this big movement of solidarity with the [Haitian] people.

The Dominican journalists are well aware of the impunity with which the Tonton Macoutes and other scourges of this people have always gotten about in the Dominican Republic. This shows the complicity and protection of the Dominican Government. With these executioners [words indistinct] the Dominican Communist Party. It is all the organizations struggling to allow patriotic, democratic Haitians [words indistinct] clergymen who might go to the Dominican Republic to defend the rights of Haitian agricultural laborers over there to be able to do so with guarantees, including guarantees for their lives. [end recording]

Mr Hugo Martinez, the representative of the Sandinist government; Mr Braulio Torres of the Unified Dominican Communist Party [Parti Communiste Unifie Dominicain]—for there are two communist parties in the Dominican Republic—and Mr (Rafael Gribari) of the Uruguayan Communist Party also spoke during this news conference.

We point out that Mr Hugo Martinez, the representative of the Sandinist government, speaking of Ronald Reagan's departure from the White House, said that Reagan's departure from the White House tomorrow will constitute a breather for all the world's peoples.

More on News Conference

FL2101170289 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 20 Jan 89

[Excerpts] Henri Namphy, who was given refuge in the Dominican Republic after the 17 September coup d'etat, and Franck Romain, who was given a safe-conduct by the Prosper Avril government to go settle in the Dominican Republic, are both currently living in big villas in beautiful bourgeois neighborhoods in the Dominican Republic. This is what the delegate of the Dominican Communist Party said yesterday during a news conference at which there were representatives of two other political parties. The news conference was held within the framework of the festivities marking the 20th anniversary of the Unified Party of Haitian Communists [PUCH].

In a news conference held by the PUCH Thursday morning at the Holiday Inn [Le Plaza] Hotel, the delegates from the Uruguayan Communist Party and the Sandinist [National Liberation] Front of Nicaragua, as well as the representatives of the two communist parties in the Dominican Republic—who are all in Haiti on the occasion of the 20th anniversary of the PUCH—set forth the problems they saw in their countries' policies.

According to Santiago Guillermo [name as heard], the representative of the Unified Party of Dominican Communists, PCD, the PCD always works together with the PUCH with a view to forcing the Dominican Government to change its attitude toward the Haitians. However, there is a problem involving the class with power, which is not in favor of the Haitians. According to Santiago Guillermo, the bourgeoisie of both countries are working together in exploiting the two peoples.

The president of the Dominican Republic uses an improper form of propaganda [youn move fom propagand] regarding the Haitians. However, the Dominican masses do not at all share the feelings of the Dominican bourgeoisie. Furthermore, said the PCD official, the Dominican people have mobilized in protest of Franck Romain's presence in the Dominican Republic. [passage omitted]

They also denounced the Dominican Government, which claims to have no details as to Namphy's whereabouts—while Henri Namphy is living in a big villa belonging to an American company, and drives around town in his big Pajero [jeep]. For his part, Franck Romain is living in a bourgeois neighborhood where many important military officers live. The neighborhood is called Puerta de Hierro, and he has a private police force. All this goes to show how the Dominican Government tolerates criminals, added Santiago Guillermo.

[Begin recording] [Santiago, in Spanish with simultaneous translation into Creole; translated from Spanish] [passage omitted] As regards Franck Romain himself,

the government and the security organizations say that they don't know anything about his whereabouts, whereas he is living in another villa among wealthy Dominicans.

This is a neighborhood where the bourgeois—former members of the Armed Forces who amassed fortunes during the different governments in which they participated in Haiti—have purchased residences, villas. And Franck Romain is in one of these residences, called Puerta de Hierro, in (?upper Arroyo Hondo) in the Dominican Republic. [passage omitted]

[Reporter, in Creole] What is it called?

[Translator] Puerte de Hierro.

[Santiago, in Spanish] That is the name of the neighborhood, which has a private police force, where Franck Romain is—as well as other executioners (?from the security forces, and possibly the chief of police), who is also in the Dominican Republic. [end recording]

[Excerpts] (Hugo Meneses Martinez), the representative of the Nicaraguan Sandinist Front, said that the press agencies circulate a number of false reports, such as when, for example, they declare that 15,000 people demonstrated against the Sandinist government. This is not true, he said, because the Nicaraguan people support the Sandinist Front.

(Meneses) said that if the contras were to lay down their weapons, they too could participate in all activities with the Sandinists, including elections. However, he said he didn't think the contras could win.

On 20 January, Bush will become President of the United States. Since Bush is a different person, they hope he will see that Reagan's policy was not good, and that his own policy toward Nicaragua will be (?better).

(Meneses) said that there are two churches in his country: the people's church, which is working to educate the people and which played an important role in getting rid of Somoza; and the church hierarchy, which used to collaborate with the dictator and which is acting against the revolution.

Finally, the Uruguayan delegate, (Rafael Gribari), said that ever since the twenties or thirties, they have taken much action on the social and economic levels with a view to improving health and education. There have been no illiterates in Uruguay since 1950. Next 16 April, there will be a referendum to reject the law that (?protects) all the members of the Armed Forces and the police who violated human rights during the 12 years of the dictatorship.

The delegates from the Cuban Communist Party, who are in Panama, have obtained Haitian visas and will arrive in Haiti on Sunday [22 January]. However, the Panamanian delegate has not yet obtained a Haitian visa.

Pemex Allots 39 Percent of Budget for Debt
PA2301155689 Mexico City UNOMASUNO in Spanish 16 Jan 89 pp 1, 14

[Report by J. Antonio Zuniga M.]

[Excerpts] The Planning and Budget Secretariat has reported that Pemex has the highest foreign debt of the public sector and will allot 39 percent of its budget exclusively for covering payments of interest and amortization of its foreign debt.

Considered the most important enterprise of the country, Pemex' total budget for 1989 is estimated at 13.0557 trillion pesos, the highest budget of the entire public sector. Comparatively speaking, this budget is 9.2 times higher than the Health and Public Assistance Secretariat budget, 8 times higher than the Agriculture and Water Resources Secretariat budget, and 16 percent higher than the Education Secretariat budget, which is the highest of the central administration.

With the highest priority and strategy in the national economy, Pemex ranks first among all of the enterprises in the country—about 1.2 million of them—in sales, hiring workers, and providing foreign currency through exports, tax payments, and foreign debt. [passage omitted]

As for the budget revenues estimated for this year, the petroleum sector will provide 37.8 billion pesos, an amount equivalent to 30 percent of the estimates made by the federal government for 1989.

In spite of all this, Pemex' internal finances are still profitable, with a surplus that amounted to 796.1 billion pesos, as of May 1988. However, the total hydrocarbon reserves of the country amount to 700 billion barrels; that is, 2.5 billion barrels less than in 1983. This amount reflects a 3.5-percent reduction from the highest level ever reached in the history of Mexico. [passage omitted]

Salinas Opens National Agrarian Congress
PA2001194089 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 19 Jan 89

[Text] President Carlos Salinas de Gortari has inaugurated the 26th regular National Agrarian Congress of the Independent Peasants Central Organization [CCI]. Salinas said peasant unity is necessary to make progress in the modernization of the nation and in the peoples' lives. He said the agrarian reform is to protect the quality of life of Mexican peasants and to increase productivity to ensure the country's food sovereignty.

[Begin Salinas recording] Modernization and the new Mexican agrarian reform call for the strengthening of peasant organizations. By strengthening your organizations and by receiving the firm support of the government, you will be responsible for handling credit, insurance, and sales. You will also be able to introduce new production techniques in rural areas. It is time to recognize the maturity of Mexican peasants. [end recording]

The president recognized the great steps taken by the CCI to participate in the new permanent agrarian congress, which will consolidate unity in rural areas.

Moreover, CCI leader Alfonso Garzon Santibanez reaffirmed the peasants' trust in the Mexican Government.

During the same ceremony, the president handed out land deeds to peasants from Sinaloa and Veracruz.

Election Violence in Morelos Leaves 2 Dead
PA2501043489 Buenos Aires REUTER in Spanish 2257 GMT 23 Jan 89

[Text] Mexico City, 23 Jan (REUTER)--A Mexican Government spokesman reported today that 2 people were killed and 15 wounded in a clash between progovernment and opposition groups during a municipal election in Xoxocotla, a town of 6,000 located 100 km southwest of Mexico City.

Efren Millan, a local government official, has reported that an argument between supporters of the governing PRI and supporters of a left-center coalition ended in a shoot-out in which 2 people were killed and 15 wounded.

The clash took place following municipal elections, Millan noted. Members of the opposition argued that the PRI had cheated in the Xoxocotla elections.

This source has denied reports that after the voting was over, the rural police opened fire and killed four people.

Millan said calm has returned to the town and that the incident is being investigated by Antonio Riva Palacio, governor of Morelos State where Xoxocotla is located.

Electoral Commission Sets Up Special Commission
PA2101230989 Mexico City EL DIA in Spanish 10 Jan 89 p 3

[Summary] During the first meeting of the Federal Electoral Commission [Comision Federal Electoral], representatives from all the registered political parties in Mexico agreed to establish a special commission that will be charged with summoning citizens, political parties, associations, and academic institutions to hear their

comments on electoral reform proposals. This special commission will consist of the following members: a delegate from the Federal Executive Branch, two senators, two deputies, and one delegate from each of the registered political parties. Also during this meeting, the respective numbers of delegates from each political party to the Federal Electoral Commission were announced as follows: 16 from PRI; 6 from PAN; 3 from the Popular Socialist Party; 3 from the Cardenist Front for National Reconstruction Party; 2 from the Authentic Party of the Mexican Revolution; and 2 from the Mexican Socialist Party.

El Salvador

FMLN General Command Offers Peace Proposal

PA2401200889 San Salvador Radio Cadena YSU in Spanish 1200 GMT 24 Jan 89

["Text" of "FMLN's Proposal To Convert Elections Into a Contribution to Peace;" issued in El Salvador on 23 January]

[Text] The FMLN General Command, whereas:

1. The last five electoral processes have not solved the country's fundamental problems.

2. The people no longer believe in elections, which are viewed as a fraud, because they can do nothing to end the conflict and to solve the grave economic crisis that increases the social struggle.

3. The country's total dependence on the United States has forced the traditional parties—the Christian Democratic Party and the National Republican Alliance—to seek support from the U.S. Government more than from the Salvadorans.

4. The tendency toward fraud and crisis among the legislative, judicial, executive, and military branches has turned the debate on the Electoral Law into an unsolvable problem, which makes the upcoming elections a detonator of a larger political crisis that will lead to a definitive vacuum of power.

5. The intensification of violence starting with the repression of people demanding solutions to their problem has forced the Armed Forces to face the dilemma of carrying out genocide and provoking an insurrection, or waiting for a vacuum of power and insurrection from hunger.

6. The current trend in the international field is that most wars are being solved through negotiations.

The FMLN, exerting itself for the last time to stop the social uprising and give the elections a loftier purpose so they contribute to attaining a durable peace, issues the following political proposal:

Postpone the 19 March elections and hold them within approximately 6 months. We specifically propose the elections be held on 15 September, the day when we commemorate our homeland's independence. The elections should be held under the following conditions:

1. The murders, arrests, and repression against mobilizations, strikes, and all the popular movements' activities must cease immediately. The Armed Forces must fully respect all the parties' electoral activities.

2. The Army, paramilitary forces, and security corps must be kept in their barracks on election day so they do not participate in the event.

3. The Democratic Convergence [CD] must be admitted into the Central Electoral Council, and an electoral supervisory council must be formed by members of religious, humanitarian, and civic organizations. They would assume the task of maintaining order on election day, and they would invite and coordinate the activities of international observers.

4. An electoral code resulting from a consensus among all the parties must be established.

5. The voting rights of Salvadorans living abroad must be established, and the conditions so they may exercise this right must be created with international support.

6. The U.S. Government must stay out of the electoral process by not supporting any party.

The FMLN will pledge the following:

1. Respect the activities of political parties and electoral organizations throughout the country.

2. Respect mayors if they disavow any ties to the Army's plans.

3. Decree a truce beginning 2 days before the elections and ending 2 days after the elections, and withdraw all military presence from towns and voting places.

4. Call on all its social grassroots groups to participate in electoral activities, summoning the people to vote and support the CD's platform and candidates.

5. Accept the legitimacy of the electoral results.

6. Accept that the current administration remain in office during the transition period, to expedite the implementation of this proposal.

An electoral process under the conditions we propose would make the political solution to the conflict irreversible and would become the greatest contribution to peace.

This proposal contains elements that obviously differ from the existing legal framework which the two armed groups mutually accuse each other of constantly violating.

Our appeal is to put peace above the current laws. We warn the forces with decisionmaking power that if the war continues, their economic and political interests will head toward collapse.

The conditions under which the current elections are held render the elections illegitimate; therefore, the FMLN has rejected them. As long as this situation does not change, the FMLN will maintain its stance of supporting the people's rejection of the current elections. The current electoral process increases the war. Our proposal contributes to peace.

The FMLN calls on all of the country's social sectors to take a stance regarding this proposal, and it notes its willingness to discuss the proposal immediately with the government, the Legislative Assembly, the Armed Forces, and all political parties.

San Salvador Archbishop Msgr Arturo Rivera y Damas can contribute so these meetings can be held, because these talks will enhance the search for national consensus which the Catholic Church has begun.

El Salvador, 23 January 1989

[Signed] Commanders Roberto Roca, Jorge Shafik Handal, Joaquin Villalabos, Leonel Gonzalez, and Ferman Cienfuegos

Proposal Termed 'Positive Sign'

PA2501002589 Hamburg DPA in Spanish 2201 GMT 24 Jan 89

[Text] San Salvador, 24 Jan (DPA)—The Salvadoran Government and Fidel Chavez Mena, the Christian Democratic presidential candidate, today termed the FMLN-FDR's election proposal a "positive sign."

These are the initial reactions to the proposal announced today in Mexico and delivered by the Salvadoran church to President Jose Napoleon Duarte, the Legislative Assembly, and the Armed Forces. The proposal was also sent to the other political parties that are in the presidential race.

The proposal suggests postponing the presidential elections until 15 September, extending the term of the current government, and reorganizing the Central Electoral Council so the alliance of leftist parties that launched the candidacy of FDR President Guillermo Manuel Ungo can join the Democratic Convergence [CD]. If these and other conditions are accepted, the FMLN is ready to support the Democratic Convergence and suspend some actions.

Roberto Viera, culture and communications minister and spokesman for President Duarte, agreed today with Chavez Mena and labeled the proposal positive, because this is the first time in the 8-year war that the FMLN has spoken of elections, he said. Both stressed, however, that the proposal is not acceptable in view of the legal problems that it raises, such as postponing the elections and extending the presidential term, which, according to the Constitution, should end on 31 May.

Chavez Mena said he agrees with some points of the FMLN-FDR proposal, such as the point about the composition of the Central Electoral Council [CCE]. According to the Constitution, the CCE is composed of the three parties that received the most votes in the last election.

Chavez Mena said that what attracted his attention is that at no time was there any talk of peace, an end to hostilities, or specific steps to halt the war. "If they (FMLN-FDR) agree in supporting the elections, why not do it now, without waiting any longer," the candidate asked.

For his part, Minister Viera said the government will study the proposal and give a final response later.

Meanwhile, CD vice presidential candidate Reni Roldan, running mate of Guillermo Manuel Ungo and secretary general of the Social Democratic Party, said he also supports the proposal, except for some aspects such as the postponement of the elections, because the Constitution establishes that elections must be held at least 2 months before the presidential term ends.

Christian Democratic leader Chavez Mena said the main problem with the proposal is that it violates a specific constitutional mandate.

CEDES Bishops' Statement Condemns Violence

PA2401184989 San Salvador DIARIO LATINO in Spanish 21 Jan 89 p 9

["Statement" issued by the Episcopal Conference of El Salvador (CEDES) in San Salvador on 19 January]

[Text] The bishops of El Salvador held our regular meeting on 17, 18, and 19 January. As priests, we feel the responsibility to proclaim the validity of the law of God before very serious events that have deeply shaken Salvadorans' awareness. First, the murder of several mayors by the FMLN, the death threats against other mayors to force them to resign, and the fact that many justices of the peace are the object of similar threats. Another worrisome event is the recent use of car bombs.

The FMLN and the rest of the country's violent groups assert that all their actions have their origin in a desire to seek people's liberation. It is, however, clear that people reject the "violent actions abusively conducted on their behalf." (John Paul II, Message for the International Day for Peace in 1989, No 10)

We join our voice to the one of those who have vigorously condemned those violent actions. We cannot remain silent, because God's clear law "Thou shalt not kill" (Exodus 20.1) must be ever present in our conscience. Pope John Paul recently reminded us of that: "To attack indiscriminately, kill innocent people, and make bloody reprisals does not provide a fair assessment of the demands presented by the minorities on behalf of whom the violent groups claim to act." (ibid)

Our long-suffering people's wisdom has helped them to painfully realize that "neither passivity nor violence are adequate roads toward authentic peace." (John Paul II, Message for the International Day for Peace in 1989, No 2) God teaches us that "God hates him who loves violence." (Psalm 11, 5) Therefore, we conclude this

statement by calling all those who love violence to convert and by encouraging all Salvadorans to continue trying to become indefatigable "artisans of peace."
San Salvador, 19 January 1989
[Signed] Msgr Romeo Tovar Astorga, Zacatacoluca bishop and CEDES president
Priest Leopoldo Barreiro Gomez, CEDES secretary

Honduras

Contras Reorganize, Stay 'Fit for Battle'

PA2401195589 Tegucigalpa LA TRIBUNA in Spanish 24 Jan 89 p 8

[Text] Capire, Honduras, 23 Jan (AFP)— The Nicaraguan contras have withdrawn from the battlefield for about 1 year, but they still deny they have been defeated, and they are willing to return to war at any moment. The contras began a large-scale military reorganization a few weeks ago to turn their guerrilla forces into a conventional army.

Even through U.S. aid was cut, the Nicaraguan Resistance (RN, contras) guerrilla forces excercise daily to stay fit for battle, and train in the mountains of eastern El Paraiso Department on the Nicaraguan border. An AFP journalist who toured the zone this week was able to ascertain this.

Surrounded by thousands of fighters and impeccably dressed in combat gear, the chief of staff at the RN's Northern Front, Juan Ramon Rivas (Commander Quiche), explained to the press that the contras began to prepare a new military strategy and reorganize their forces in December.

To implement this new strategy, the RN established a modern Training Center (CEN) in the Honduran mountains; the first to receive training were 50 high-ranking rebel officers who command the guerrilla organization's regional commands and task forces. Quiche, himself, implied that the guerrilla organization now wants to become a conventional army.

The training program expanded this weekend when 750 additional mid-level officers—including column leaders, squad leaders, and special command leaders—joined the courses. They will discuss and test new combat strategies over a 6-week period.

Quiche inaugurated the second phase of the program and encouraged the guerrilla troops with a fiery speech in which he emphasized that "we have begun a new phase" and wished them success in the struggle to defeat the leftist regime installed at Managua since July 1979.

According to Quiche's explanation, Nicaraguan instructors will subject the contra leaders to an intensive 6-week training program—sometimes using paper and pencil, sometimes with their finger on a machinegun's trigger.

A group of 130 "commandos" will simultaneously receive an artillery course in an area far away from the CEN camps. They will use heavy machineguns, mortars, antiaircraft batteries, and other types of powerful weapons.

Quiche explained that this broad training program is being carried out with the RN's own resources—using what remains from the military aid U.S. President Ronald Reagan's administration supplied to the contras during the last 5 years.

The guerrilla commander asserted that their withdrawal from the battlefield is virtually formal following the Sapoa agreements signed on 23 March 1988, but "the RN troops' morale is excellent." He also explained: "No one would be here if we were not convinced of the need for our struggle."

The statement was confirmed by Commander Mack (Jose Benito Bravo), RN chief of intelligence, who gave another fiery speech and told his troops: "It is false, totally false, that we are finished and that the contras have ceased to exist."

"We are here, prepared to continue; the war has not ended, and the people will struggle until Nicaragua achieves democracy," Mack exclaimed.

The contra fighters' mood certainly appears better than it did 1 year ago, when many of them had to leave the Nicaraguan mountains, starved and sometimes dressed in rags.

The "humanitarian aid" approved last year by the U.S. Congress to guarantee the contras' survival off the battlefield is now being generously distributed throughout that Honduran region.

AID helicopters constantly fly over the region, bringing uniforms, boots, food, and medicine for approximately 13,000 fighters who are installed at innumerable camps and bases in Capire and Yamales.

The aid is abundant and, in many cases, it is enough to fulfill the basic needs of an additional 25,000 Nicaraguan civilians—mostly direct relatives of the contras—who also migrated to Honduras during the last year.

The AID's assistance to the contras is amply compensated with evident signs of affection for the most prominent members of the Reagan administration, which became their protector from the start.

A recently created paramedic instruction center was given the name of "Ronald Reagan," and its first 80 graduates gave their promotion class the name of the new U.S. President, "George Bush."

Human Rights Court Rules Against Honduras

PA2401182789 San Pedro Sula TIEMPO in Spanish 21 Jan 89 p 3

[Unattributed report: "Government Condemned for Godines' Disappearance"]

[Text] Tegucigalpa—Not surprisingly, the Inter-American Human Rights Court in San Jose, Costa Rica, yesterday ruled against the Honduran Government in the disappearance of Saul Godines Cruz. At the same time, the court decided to postpone a decision regarding Costa Ricans Francisco Fairen and Yolanda Solis.

The Godines Cruz case is the second such case heard by the OAS Human Rights Court. On 29 July 1988, the court condemned the Honduran Government for the disappearance of Angel Manfredo Velasquez.

As in the Velasquez case, the government will have to negotiate with the relatives of teacher leader Godines Cruz for a just, compensatory indemnification" [no opening quotation marks as published] for his relatives, who will have the support of the Inter-American Human Rights Commission.

The court's decision, made public yesterday, reaffirms the contention that every case of forced disappearance in Honduras submitted to that court will be decided against Honduras, because in the Manfredo Velasquez case, the decision clearly stated that 100-150 persons had disappeared in Honduras between 1981 and 1984 in a systematic practice "carried out or tolerated" by the authorities.

On the disappearance of Godines Cruz, a professor who climbed on a motorcycle on 22 July 1982 and was never seen again, the court said in its sentence that "the disappearance was carried out during a systematic practice" and that it considered relevant some aspects of the testimony provided by the accusers, the OAS Commission.

In this respect, it considered specific aspects "relevant." The victims were persons generally considered dangerous to state security. Usually the victims had been watched and followed, and the weapons used were those exclusively used by the Army and police. Vehicles with tinted windows, which require official approval, were used.

The resolutions portion of the court decision states that "the circumstances of Godines Cruz' disappearance coincide with this practice" and that "the Honduran Government's failure to guarantee human rights has been proven."

The Court therefore: (Unanimously)

1. Rejects the preliminary exception of not exhausting the internal resources imposed by the Honduran Government (Unanimously)

2. Declares that Honduras violated the duties of respect and guarantees for respect of personal freedom recognized in Article 7 of the Convention, in connection with Article 1.1 of the same, to the detriment of Saul Godines Cruz. (Unanimously)

3. Declares that Honduras violated, to the detriment of Saul Godines Cruz, the rights of respect and the guarantee of the right to personal integrity recognized in Article 5 of the Convention in connection with Article 1.1 of the same. (Unanimously)

4. Declares Honduras violated, to the detriment of Saul Godinez Cruz, the duty to guarantee the right to life recognized in Article 4 of the Convention, in connection with Article 1.1 of the same. (Unanimously)

5. Decides Honduras is obliged to pay a just compensatory indemnity to the victim's relatives. (Unanimously)

6. Decides the manner and amount of the indemnification will be determined by the court in case Honduras and the Commission do not agree within 6 months from the date of sentence, and leaves the case open for this purpose. (Unanimously)

7. Does not consider it fitting to make a statement on costs.

Concerning the case of the two Costa Ricans, Francisco Fairen Garbi and Yolanda Solis Corrales, who disappeared on 11 December 1981, the court decided to postpone its decision.

The judges alleged a lack of cooperation by the Honduran Government on every investigation of Francisco Fairen's whereabouts.

In this respect, the court has given the Honduran authorities a deadline of 1 month to verify whether a body that was found in La Montanita on the old road to Danli is that of the Costa Rican youth.

'Well-Known Lawyer' Shot by Unidentified Gunmen

PA2401125189 Tegucigalpa Cadena Audio Video in Spanish 1224 GMT 24 Jan 89

[Text] Carlos Diaz del Valle Lorenzana, the 54-year-old attorney for Juan Ramon Matta, was shot last night at 2215 near his home in the Modelo residential district of Tegucigalpa. His body will be turned over to his relatives at 0700 today and taken to the Galloso funeral parlor in Tegucigalpa. The well-known lawyer was shot last night by unidentified individuals. His body contained 19 bullet wounds.

Nicaragua

GDR's Shuerer Visits Projects, Departs

PA2401133189 Managua Radio Sandino in Spanish 1200 GMT 23 Jan 89

[Text] GDR State Planning Commission Chairman Gerhard Shuerer has visited (Tecnicsa). This industry, involving investments of over $18 million, is financially supported by the GDR and the USSR.

Shuerer toured the facilities on 21 January and expressed interest in the enterprise's production and technological conditions. He was briefed on the enterprise by Foreign Cooperation Minister Commander of the Revolution Henry Ruiz, Economy Minister Commander of the Revolution Luis Carrion, and Planning and Budget Minister Alejandro Martinez Cuenca. The (Tecnicsa) manager stated that 70 percent progress has been made on the investments. (Tecnicsa) is expanding its production of threads for various types of textiles.

Moreover, the GDR Government will donate to the Nicaraguan Government a total of 400 homes for the inhabitants of El Rama who were affected by Hurricane Joan. It will also provide technical assistance for the reconstruction of the bridge over the Molukuku River, which was also damaged by the hurricane.

These were some of the results of the 3-day visit paid to our country by Gerhard Shuerer, who is a candidate member of the SED [Socialist Unity Party of Germany] Politburo. Shuerer arrived in Nicaragua on 19 January and met with President Daniel Ortega, to whom he delivered a message from SED Secretary General Comrade Erich Honecker in which Honecker expressed the GDR Government and people's desire to contribute to the reconstruction of areas affected by Hurricane Joan.

During his stay in Nicaragua, Shuerer toured the Managua electric plant, Karl Marx Hospital, a [word indistinct] cooperative in Ticuantepe, and a coffee cooperative in San Marcos. After the visit to the coffee cooperative, Shuerer expressed great interest in having the GDR Government participate in the implementation of coffee and industrial projects in Nicaragua.

The East German leader left on the afternoon of 21 January for his country. He was seen off at Augusto Cesar Sandino Airport by Foreign Cooperation Minister Commander of the Revolution Henry Ruiz Hernandez, Planning and Budget Minister Alejandro Martinez Cuenca, Foreign Minister Miguel D'Escoto, and Deputy Foreign Minister Victor Hugo Tinoco.

D'Escoto Urges Holding Summit 8-9 February

PA2401192689 Managua BARRICADA in Spanish 23 Jan 89 p 5

[Letter by Foreign Minister Miguel D'Escoto Brockman to foreign ministers of Costa Rica, El Salvador, Guatemala, and Honduras; dated 21 January in Managua]

[Text] Messrs Ministers:

Considering the diverse and contradictory reports in the Central American news media about the dates of meetings that are to be held within the framework of the Esquipulas agreement, and as pro tempore chairman of the foreign ministers executive committee, I deem it advisable to insist on the urgent need to stop seeking changes in the date agreed on for the presidential summit meeting.

In this respect, Nicaragua insists the summit meeting on 8-9 February in San Salvador must be held, as the Central American presidents have already agreed.

Because the presidents have agreed on these dates, I feel it is essential we keep those dates. We must not allow the unfortunate cancellation of the summit meeting scheduled for 15-16 January to become a pattern, threatening the continuation of the Central American peace process. For the good of our peoples, we cannot permit the cancellation of the agreed summit date to become an acceptable practice. Moreover, Messrs Ministers, it is clear the only thing that must determine the dates on which to hold preparatory meetings for the summit, should be the date of the summit.

Therefore, I reiterate: I am summoning the technical meeting for 4-5 February in Managua and the executive commission meeting for 6-7 February, also in Managua.

Nicaragua deems it wholly unacceptable to refer to previous commitments as an excuse for not holding the summit meeting. Within this context, I deem it appropriate to remind you, as I did during our meeting in Mexico, that I had to cancel a number of important meetings in Europe scheduled between 7 and 20 January. All of these meetings had been scheduled prior to the decision to hold the summit on 15-16 January.

I sincerely do not understand why all of us cannot do the same if we are truly interested in holding an event as important as the Central American summit meeting to promote the peace process, which supposedly is our peoples' and our governments' chief concern.

Regardless of the good intentions that I am certain move us all, the objective truth is that all these incomprehensible changes and the confusion concerning the meetings' dates are fostering an image abroad of arbitrariness and lack of seriousness and interest to hold the meetings, which are vital to comply with all the agreements the five Central American presidents signed in Esquipulas. I think we can all agree we cannot continue fostering this image.

I also feel, esteemed colleagues, we all agree conventional diplomatic language can never become an impediment to truthfully note the dangers and threats seen looming over such an important process for the peace, life, and progress of millions of Central Americans.

As I await a prompt confirmation of your attendance at the executive commission's technical meeting, with the understanding the summit meeting will be held 8-9 February in San Salvador, I reiterate to Your Excellencies my highest consideration and esteem.

Miguel D'Escoto Brockman, foreign minister

Document Shows 'Division' in Contra Leadership

PA2001010989 Managua Radio Sandino in Spanish 1200 GMT 18 Jan 89

[Text] A secret document of the so-called Nicaraguan Democratic Movement, MDN, has revealed the expulsion of MDN leader Alfonso Robelo, Alfredo Cesar's opportunism, and the total division that exists within the top counterrevolutionary leadership.

The document confirms Robelo's ouster as president of the MDN and the appointment of Roberto Urroz as his successor. The ouster has been characterized as a major achievement in the strategy that was to be pursued in regard to the contra leadership.

The document, which is signed by chieftains who describe themselves as representatives of the MDN's political and military area, accuses the allies of former Somozist guardsman Enrique Bermudez of supporting fraudulent and deceitful decisions made when the negotiations were held in Sapoa, Nicaragua. They also accuse Cesar of being an opportunist and of straddling the fence because he actively took part in the creation of the Democratic Center Coalition and thus helped create the conditions for neutralizing the contra leadership.

The document adds that following Cesar's and Jose Davila's neutralization, the contra leadership became highly factionalized.

3 Contras Accept Amnesty in Nueva Segovia

PA1901235489 Managua BARRICADA in Spanish 16 Jan 89 pp 1, 5

[Summary] Juigalpa—Jose Dolores Triguero Ruiz, alias "Cachita," Jose Antonio Rivera Guardado, and Walter Maradiaga Ortiz, alias "Culebra," of the Nicaraguan Opposition Unity's southern front, have accepted the government amnesty in Nueva Segovia. Triguero Ruiz had been chief of Southern Front Regional Group No 1. The reasons he cited for surrendering included the cut in U.S. aid for the contras and the lack of support from the civilian population. He also said the contra's southern front was "finished."

21 Contras Surrender in Quilali, Wiwili

PA2001195589 Managua EL NEUVO DIARIO in Spanish 19 Jan 89 p 4

[Report by H. Vargas]

[Text] Ocotal—The contras are defeated and demoralized and have no choice but to surrender to the Quilali and Wiwili authorities and accept amnesty.

According to an Interior Ministry communique, 21 contras have surrendered to the authorities as of 15 January. They said they wanted to return home and live in peace.

International Red Cross Warehouse 'Looted'

PA1901210689 Managua Radio Corporacion in Spanish 0400 GMT 18 Jan 89

[Text] Bystanders witnessed an uncommon sight this morning when citizens looted food and clothing from the International Red Cross warehouse.

This information, which was disclosed by Radio Corporacion in its news breaks and reported by LA PRENSA, states that over 100 people decided to raid the warehouse this morning after learning that a boxcar bringing food and other supplies had arrived on Monday.

Red Cross and police officials showed up, but the looters were determined and they were able to remove a large amount of supplies.

The people shouted that they were hungry and that the only way to take something home was by looting the place. They said the lack of jobs and money does not allow them to survive.

The supplies had been destined for Atlantic coast hurricane victims.

Panama

U.S. Charged With 'Persecution' of Panamanians

PA2201170189 Panama City LA ESTRELLA DE PANAMA in Spanish 22 Jan 89 pp 1, C-4

[Undated communique issued by the Joint Committee of the Defense and Security Commission General Command (COGECODESE) in Panama City]

[Text] Communique of COGECODESE's Joint Committee:

The Joint Committee of COGECODESE, an organization created by the Panama Canal treaties, whereas:

—The U.S. Armed Forces have intensified the persecution of Panamanian citizens who for various reasons must pass along areas within defense sites (military bases), especially the road leading to Veracruz;

—This persecution includes armed threats, rude treatment, illegal and unnecessary interrogations, arbitrary arrests accompanied by excessive use of force, and cruel and degrading treatment;

—Wounds produced by the use of force have led to the hospitalization of Panamanian citizens;

—This persecution against Panamanians does not differentiate sex or age;

—Detained Panamanian citizens are usually taken to patrol headquarters, placed inside a wire-fenced area for prisoners of war [as published], and questioned by interrogation experts of the U.S. Army South's 470th Military Intelligence Brigade;

—These interrogations seek to obtain information about the internal affairs of Panama; they have even tried offering bribes to obtain information on sensitive installations in the Republic of Panama;

—After this illegal procedure, the detained are taken to a detention room, from where the Panamanian Military Police are at last notified;

—The most affected towns are Veracruz, La Polvareda, Burunga, Arraijan, Nuevo Emperador, Escobal, Salud, Margarita, and Coco Solo;

Issues the following communique to all citizens:

According to the treaties, the U.S. Armed Forces have no right to keep under arrest any Panamanian citizen detained on defense sites. Anyone who is arrested should be immediately turned over to Panamanian authorities. Any action contrary to this suggests a clear violation of canal treaties and a disrespectful attitude toward Panama's jurisdiction and sovereignty.

Therefore, any Panamanian citizen who happens to be illegally arrested by the U.S. Armed Forces should do the following:

1. Stay calm at all times and do nothing that might be used as an excuse to harass, mistreat, or beat you.

2. Demand the immediate presence of Panamanian Military Police.

3. Pay attention to the faces and identification badges affixed to the uniforms of the soldiers conducting the arrest.

4. Try to memorize the time and place of the arrest and the place to which you are taken.

5. If interrogated, try to memorize the questions.

6. If there are other detained Panamanians in the place you are taken to, memorize their names.

7. If documents or personal belongings are taken away from you, demand their return before you are turned over to Panamanian Military Police.

8. Avoid signing any document in the absence of Panamanian Military Police.

9. Accompany the Panama Defense Forces [FDP] member who assists you to file charges that will contribute to the international denunciation that the Panamanian Government is waging against the United States for violating human rights and the Canal treaties.

10. If you are released before a FDP member arrives, go to the closest FDP garrison to file a report.

Public Security Subcommittee Group

Joint Committee - COGECODESE

FDP

Nicosia 'Recognized' as Authentic Panamenist Head
PA2101035589 Panama City MEDIODIA in Spanish 19 Jan 89 p 10

[Text] The Electoral Tribunal yesterday recognized Hildebrando Nicosia Perez as president of the Authentic Panamenist Party [PPA]. The recognition came after the Electoral Tribunal rejected a series of challenges filed by Panamanian lawyer Enrique Zarak against Nicosia's election as director of the political group during a national convention held recently.

Enrique Zarak, who represented PPA Vice President Jorge Pacifico Adames, and PPA Deputy Secretary General Guillermo Endara contested the tribunal's ruling. Adames and Endara have charged Nicosia with being "a traitor to Arnulfo Arias."

The PPA was officially founded by Dr Arnulfo Arias Madrid in 1983 and divided into two factions after his death on 10 August 1988.

Hildebrando Nicosia said that Panamenists oppose the current regime but that they operate independently from the Democratic Opposition Alliance (ADO).

The new leadership announced that it would strive to seek "a national reconciliation without grudges to help rebuild the country."

On his part, presidential candidate Guillermo Endara said that the Electoral Tribunal's ruling sets a "fatal example," and he announced his party's intention to appeal the ruling.

"We are the party's real leaders and they can only take the party's skeleton with them, not the masses," Endara said.

PPA Faction Leader Denies Ties With FDP

PA2101042889 Panama City Circuito RPC Television in Spanish 2300 GMT 20 Jan 89

[Interview with Emilio Royo Linares, member of the Authentic Panamenist Party [PPA] faction headed by Hildebrando Nicosia, by unidentified reporter; place and date not given—recorded]

[Text] [Royo] Now that the Electoral Tribunal has officially rejected the challenges, all that was decided in Anton during the Authentic Panamenist Party's national convention becomes legal. During the meeting in Anton, a new 21-member directorate was appointed and amendments to the party charter were approved.

[Reporter] Mr Royo, you and Mr Nicosia have been accused of betraying the PPA and having direct ties with the National Guard.

[Royo] That is far from the truth; that is not true. We know that the people who were affected feel hurt. Since they have found no valid reason to contest us, they have started saying that we have deviated from the party line, that we did not follow our founding leader's principles, etc. I can tell you that Dr Arnulfo Arias Madrid always liked and respected us. During the 1983 convention, he promoted the formal party structure, which existed up to the time of the Anton convention.

[Reporter] Two main political groups will be running in the 1989 elections: the opposition group that is questioning the government's actions, and the progovernment group that supports the current government. We would like to know what side you are going to be on.

[Royo] For the time being, and as we have said during the news conferences we have held since the Anton convention, we are not supporting any specific group. We are going to follow an independent line with our own candidates. Right now we are following a centrist and independent line, and we will probably nominate our own candidate for the 1989 elections.

[Reporter] Are you going to follow the centrist line even though Dr Arnulfo Arias supported the opposition?

[Royo] Dr Arias always supported the struggle for democracy. He adopted his strategies depending on the situation. Right now, the independent line, following Dr Arias' guidelines, is our strategy.

COLINA Registers at Electoral Tribunal

PA2101195989 Panama City Circuito RPC Television in Spanish 2300 GMT 20 Jan 89

[Excerpt] Delegates from Panama's progovernment political parties, which compose COLINA, [National Liberation Coalition] went at noon today to the Electoral Tribunal to register the coalition officially for May's general elections. Democratic Revolutionary Party Secretary General Darinel Espino submitted COLINA's documentation to Electoral Tribunal President Yolanda Pulice de Rodriguez.

[Begin Espino recording] Because we are aware that this is a historic time for our country, we have formed this coalition that stands for liberation, sovereignty, internal development, working together, and unity. We vow together to begin a new development program for our country, to guarantee its sovereignty, and to make national sovereignty and full compliance with the Torrijos-Carter Treaties our rallying cry. This coalition will work together for the 7 May elections. We will comply with all of the Electoral Tribunal's rules. We will campaign together. Onward together toward victory because our slogan is: COLINA, yes! Colony no! [other delegates shout: "Colony, no!"] [end recording] [passage omitted]

Legislator Artola Comments on Tribunal Ruling

PA2101192089 Panama City Circuito RPC Television in Spanish 2300 GMT 20 Jan 89

[Statement by Authentic Panamenist Party Legislator Francisco Artola, date and place not given—recorded]

[Text] The Electoral Tribunal's rulings on the Authentic Panamenist Party is just another fraud against our party; it is the ruling of a government that cannot accept a large and united party like the PPA. The ruling was only intended to help the government in the coming elections. However, this will in not decrease the number of real PPA followers. They will not be able to decrease the number of our members. They may take the legal part of the party, what we have called the legal shell of the PPA, but not the party itself. The ruling has come as no surprise to us—we know how the Electoral Tribunal operates. All this does is indicate the kind of elections we will have on 7 May 1989, but despite this, the Panamanian people will know how to defend their victory; the people will demand respect for the Democratic Opposition Alliance's victory.

Politician on Organization of 'Arnulfist Party'

PA2401155889 Panama City Circuito RPC Television in Spanish 2300 GMT 23 Jan 89

[Report on statements by politician Gilberto Arias Guardia; date and place not given]

[Text] The Arnulfist Party [Partido Arnulfista] is in the process of being organized, political leader Gilberto Arias has announced.

[Begin recording] We are going to stop talking about the Authentic Panamenist Party [PPA]. From now on, let us talk about the Arnulfist Party. We must stop talking about the PPA, because the Electoral Tribunal has turned that party over to those who are not entitled to it. The same thing happened to Dr Roderick Esquivel [with

the Liberal Party], Eric Arturo Delvalle with the Republican Party, and Carlos Eleta with the Labor Party. This is a repeat of the same procedure. The parties have been turned over to those who should not have them. We no longer speak of the PPA; we now speak of the Arnulfist Party, which is in the process of being organized. [end recording]

Concerning conditions for the next elections, Gilberto Arias said:

[Begin recording] If we were to study the most dramatic events of history, we would conclude that there is no logic in trying to carry out difficult actions. Difficult actions are done out of vigor, conviction, and the strong feelings of people. Strong feelings prevail over reason. The Panamanian people's strong feelings and convictions want a return to institutional methods, to an era of progress and well-being, to an era where all have employment. Those are the strong feelings that will lead us to victory.

This cannot be called an electoral process. There is no freedom of press or radio; there are no means of social communication. Political parties cannot hold rallies. Demonstrations are not allowed. The members of the opposition are arrested and sent into exile. We can expect many outrages. However, I repeat: We are going to struggle, because of the convictions of the Panamanian people who want to win despite all adverse conditions. [end recording]

PRD Leader on Electoral Activities, Nominees

PA2401160389 Panama City Circuito RPC Television in Spanish 2300 GMT 23 Jan 89

[Interview with Democratic Revolutionary Party (PRD) National Executive Committee member Pedro Pereira by unidentified reporter; date and place not given—recorded]

[Text] [Pereira] The PRD has already begun electing candidates for the posts of Corregimiento representatives and councilmen. On 28 January, we will elect candidates for the Legislative Assembly, and they will represent all electoral districts.

On 1 February, the PRD will hold its national convention, in which we will nominate our list of three candidates, one each for the presidency, first vice presidency, and second vice presidency of the Republic. The convention will be held at Nuevo Panama Gymnasium, and the PRD will give proof of its influence and strength during that convention.

[Reporter] After having gone through the various possible presidential figures within the PRD, who are the main figures that the PRD leaders believe could be nominated?

[Pereira] From now until 1 February, we will conduct the necessary political consultations and discussions within the National Liberation Coalition to determine possible presidential candidates and the list of three candidates.

The PRD has proposed Carlos Duque, Carlos Ozores, Ernesto Perez Balladares, and Gabriel Altamirano Duque as possible nominees.

Civic Crusade Supports Opposition Candidates

PA2401155989 Panama City Circuito RPC Television in Spanish 2300 GMT 23 Jan 89

[Interview with National Civic Crusade (CCN) member Jose Raul Mulino by unidentified reporter; date and place not given—recorded]

[Text] [Mulino] We had always insisted on the urgent need for Panama's political opposition groups to arrive at a presidential ticket that would reflect a true sense of unity. Such a presidential ticket has been announced, and the CCN—as it stated yesterday during several political conventions—will fully and strongly support this ticket.

We are fully aware that our organization is a civic organization. It is not a political party and is not competing politically with any party; in fact, our group is not running for any electoral positions.

[Reporter] Although the CCN supports this new opposition ticket, other groups have reacted negatively to the composition of this presidential ticket.

[Murillo] I think all three—Guillermo Endara, Ricardo Arias Calderon, and Guillermo Ford—represent what the Panamanian people are looking for in their leaders. The three are decent people who have worked hard to achieve democracy in Panama. The three are people who will wage a peaceful and political struggle toward establishing a legitimate regime in Panama.

Obviously, you cannot please everyone when it comes to politics. If the ticket had featured Ricardo Arias Calderon or Guillermo Ford as presidential candidates, then other groups would have expressed their dissatisfaction with such a ticket.

Editorial Rejects Candidates

PA2401220289 Panama City MATUTINO in Spanish 23 Jan 89 p 4

[Editorial: "The Opposition's Hara-kiri"]

[Text] One does not have to look too closely at our political picture to reach the conclusion that, the way things stand now, the government has not won the May elections but the opposition has already lost them.

Let us point out our reasons for making this assertion.

In the coming elections, the citizens will be driven to vote by various motives, i.e. an analysis leading to the conviction that a specific candidate would best serve the nation's interests; the certainty that the candidates of a particular group will work to achieve their personal ambitions; party discipline; and the emotional impulse that drives people to vote for someone who has what is called charisma.

These motivations we have mentioned will all work against the three candidates who the opposition has chosen to be its standard-bearers in the May elections. The candidates will end up in sad shape after a head-to-toe evaluation—like in the Miss Universe pageant—of their personal and political characteristics. The candidate for second vice president, Henry Ford [name as published], has a personal record that is nothing to be proud of. It has been proven that he has numerous ties to the highest-level mafioso. Politically, he belongs to a sub-sub-sub-group [as published] of the Liberal Party. The Liberal Party has split into the Obstetrician Liberal [referring to Dr Roderick Esquivel], the Turtle [referring to Arnulfo Escalona], and the legitimate [Government and Justice Minister] Rodolfo Chiari. This is besides the fact that MOLIRENA [Nationalist Liberal Republican Movement] is a merry-go-round in which the Arrochas, Alfredo Ramirez, and even the ever-changing Mario J. de Obaldia—who claims he has one foot in the Arnulfist group and another firmly planted as a former Liberal—are fighting over their respective factions.

It goes without saying that the representatives of such a mixture will never be convincing enough to carry the votes of the masses.

The candidate for first vice president, Ricardo Arias Calderon, has a personal record in which he can only wish to be something he is not. He already made an initial try in 1984, when he withdrew as the Christian Democratic candidate for first vice president in order to comply with the demotion imposed by Dr Arnulfo Arias, who pushed him down to the second vice president's slot. Arias Calderon accepted this humiliation because he had already conspired to push Dr Arnulfo out of the picture by claiming he was not fit to serve, while at the same time, he tried to void the choice of Carlos Rodriguez [opposition's first vice presidential candidate in 1984], as there were doubts about his Panamanian nationality.

As for charisma, poor Arias Calderon lacks it as much as the Panamenist leader [the late Arnulfo Arias] had a surplus of it. However, the candidate for the hypocrites is now trying to replace Arnulfo Arias and gain the liking and obedience of the masses.

Guillermo Endara, candidate for president for the party that is trying to bring together the opposition, is strictly a city or community "leader." Proof of this is the fact that he lost the conflict with Hildebrando Nicosia over the presidency of the Panamenist Party, and the Electoral Tribunal has justly recognized Nicosia.

As for the ticket itself, it is the opposition's public suicide. It is announced under conditions that make it an irreversible decree of death, because it is made up of individuals who live in Panama City, from Belisario Porras to Bella Vista, excluding the people of the interior. None of the candidates come from Los Santos or Veraguas, much less from the very noble Chiriqui Province. There are no representatives from the groups that—according to the candidates themselves—were the basis for their support until recently. The candidates are professional politicians, extremely well-known, and obsolete. They are like the pyramids, good for studying but not for following.

In addition, this opposition group that claims to believe only in Panama, seems to have forgotten what the true Panamenists do not forget. The essential characteristic of that party was, and continues to be, nationalism, and this doctrine is called Panamenism. Therefore, those who still follow in the footsteps of their leader could not very well listen to the commands of these small captains who now promote treason, anti-Panamenism, and their castrated patriotism.

There are many more reasons, but for the time being, this is enough to show that although it is true that the government has not yet won the upcoming elections, with these candidates the opposition has already lost the elections.

PRD's Paredes Critical

PA2501044889 Panama City Televisora Nacional in Spanish 2300 GMT 23 Jan 89

[Statement by Democratic Revolutionary Party legislator Rigoberto Paredes, date and place not given—recorded]

[Text] I think the opposition ticket is a bad slate that we can easily defeat. It is made up of people who are not popular among the masses. On the contrary, they are at the service of the oligarchy. In addition, they represent parties and groups that have abetted and promoted U.S. aggression against Panama.

Actually, I was happy when I learned of the composition of the ticket because it facilitates our victory. They claim to have united the opposition, but that is false. The opposition is not united because the Authentic Panamenist Party [PPA], which is legally headed by Hildebrando Nicosia, has stated that it will be in the opposition independently. Therefore the ADO [Democratic Opposition Alliance] slate does not represent the PPA, even though ADO members claim it has leaders who support followers of [the late PPA leader] Arnulfo Arias. I think this is extremely important.

Moreover, I think it is important that we bear in mind that our country's current situation demands that presidential candidates truly reflect the people's wishes. The masses strongly support COLINA—the National Liberation Coalition—which reflects the hopes of the Panamanian people at this time.

I think the opposition slate is another manifestation of the interests of the U.S. Embassy, which has continued to exert influence on the Panamanian opposition's decisions.

MOLIRENA, PDC Hold Conventions 22 Jan

PA2501022089 Panama City Circuito RPC Television in Spanish 2300 GMT 23 Jan 89

[Text] The Panamanian Christian Democratic Party [PDC] and the Nationalist Liberal Republican Movement [MOLIRENA] held their national conventions on 22 January. Following are details on each convention.

Hundreds of PDC followers yesterday went to the Lux Theater and nearby areas to attend the PDC national convention. Several PDC representatives and guest speakers representing the Panamanian opposition spoke at the convention.

[Begin recording] [Carlos Arellano Lenox, PDC leader] I welcome you all, and on behalf of the PDC leaders I call on all opposition members, the true opposition members, and especially the delegates who can vote in this convention, to reiterate our unity, a unity that the current government never wanted. Let us cast a vote that reiterates that Panamanians are united in their goal. [applause]

[Alberto Quiros Guardia, independent opposition supporter] You all have to make plans, organize, lead, and control so that together—including the independent opposition supporters like us, who have no other ambition than to attain freedom in our homeland, and you, who also gave up your political ambitions—can achieve unity and struggle together for a true Panama. [applause] We want respect for each person's value and dignity. We want to improve our democratic system. We want to provide education for everyone. We must eliminate misery and provide jobs and prosperity for everyone to guarantee physical, moral, intellectual, and social security through an adequate standard of living.

[Pierre Leignadier, Civic Crusade member] The Civic Crusade has always supported the opposition political parties and facilitated the negotiations leading to this unity. We will continue supporting the opposition, and on 7 May and before 7 May, we will be there to achieve what the PAPO [People's Action Party] representative said here today. This will be a difficult struggle, but we must be united to triumph. Victory will belong to all Panamanians and we will offer it to the Panamanian people.

On 7 May, the Civic Crusade will be there organizing, voting, counting votes, and defending our vote. [applause] Men, women, and children will defend our vote. We will all be there defending our vote. [applause]

[Arturo Vallarino, member of the opposition Labor Party faction] We represent the factions of the Liberal, Labor, and Republican Parties who rebelled against the totalitarian regime, and we are here to greet the PDC convention and to express our solidarity with the single opposition nomination headed by Guillermo Endara Galimani. [end recording]

Upon their arrival at the Lux Theater, Guillermo Endara, Ricardo Arias Calderon, and Guillermo Ford, the members of the single opposition presidential nomination, as well as Mireya Moscoso [Arnulfo Arias' widow], received an ovation from the PDC convention participants.

[Begin Guillermo Endara, opposition presidential candidate recording] I do not regret having been jailed and exiled. Those experiences were part of my political education and they allowed me to spend a large part of my life with Arnulfo Arias, both in Panama and abroad. [applause] [end recording]

Once the PDC convention was over, the participants marched to the Bella Vista Theater to meet the Molirena members, who were holding their convention there to confirm the single opposition nomination.

After having elected the new MOLIRENA National Directorate headed by MOLIRENA President Alfredo Ramirez, who was reelected, several people spoke at the convention, including second vice president nominee Guillermo Ford, [MOLIRENA member] Ruben Dario Carles, and PAPO leader Carlos Ivan Zuniga.

Amid cheers and slogans such as "Let them have it," Guillermo Ford said:

[Begin recording] The Panamanian opposition will not chicken out. The problem is no longer to continue running from tear gas. There is no birdshot that will keep us off the streets [applause], and as Mario Galindo [opposition supporter] said: This thing is over. [applause] [end recording]

Ruben Dario Carles, who initially was one of the seven MOLIRENA presidential candidates, said:

[Begin Carles recording] I believe that within current circumstances, the naming of a presidential nomination is simply a formality, because those men will represent the will of the Panamanian opposition. [end recording]

In addition, PAPO leader Carlos Ivan Zuniga made statements regarding the current political situation and the upcoming elections:

[Begin Zuniga recording] If we are not all aware that the May elections are a call for sacrifices, we will betray history, the homeland, and the Panamanian people. [applause]

You know I do not agree with the elections in May because we believe we are heading toward fraud. We believe fraud for the May elections has already been prepared. We know very well that the voters' lists are fixed and that there are over 50,000 opposition supporters who do not appear on those lists. We know fraud is ready, because Panama Defense Forces members can vote at any voting table they wish, without any kind of control. [end recording]

Solis Palma Lauds Farmers, Peasants at Ocu Fair

PA2401164389 Panama City Circuito RPC Television in Spanish 2300 GMT 23 Jan 89

["Excerpt" of statement by Manuel Solis Palma, minister in charge of the Presidency, at the international fair in Ocu, Herrera Province, on 22 January—recorded]

[Text] The so-called important industrialists and bankers thought one could exist only when one knelt before the United States, and the people have taught them a lesson. We have all learned a lesson. The Panamanian homeland is alive and vibrant in the Panamanian peasant; and the Panamanian homeland is alive and vibrant in the humble men of our country, because they have suffered and they want a country in which they can live and progress. They, not the rich people, truly believe in the homeland's dignity.

We must understand this: We will betray those who have defended our people's nationality if the government does not compensate the humble men of our homeland, either during the remainder of my term or during the next administration, and that betrayal would be unforgivable. [applause]

We have a responsibility, and I feel quite proud and pleased to see how this fair is coming along, perhaps with more enthusiasm than in previous years. Gentlemen, money is not everything; the important thing is the will of men—and that will is evident here. Let us recognize it and support it. I believe the development of our country undoubtedly lies in the countryside. [applause]

This has been clearly proved by the aggression, because we previously looked toward the capital and the big cities as the means to attain the country's development. The country's development can be attained by the peasants, farmers, cattlemen, workers, and all Panamanians who have witnessed the aggression.

IRHE Director on Problems Providing Service

PA2201142689 Panama City Televisora Nacional in Spanish 2300 GMT 21 Jan 89

[Excerpts] The Executive Administration and Human Resources Directorate of the Institute of Hydraulic Resources and Electrification [IRHE], which is headed by Lieutenant Colonel Ricardo Garibaldo, today inaugurated a workshop and seminar on institutional problems. [passage omitted]

Panamanian Finance Minister Orville Goodin was the guest speaker during today's luncheon, and he talked about how Panama is coping with the U.S. imperialist attacks. He explained how the United States is waging a low-intensity war against Panama. Minister Goodin said Panama is the laboratory where this type of war is being tested. He added that the idea behind this war is to destroy other countries, such as Nicaragua and El Salvador. Goodin explained that the U.S. destabilization campaign against Panama began with an attack on General Manuel Antonio Noriega followed by a phase of economic strangulation, as was the situation in Chile and the Philippines.

Shortly before addressing the participants with his closing remarks, which he is doing at this very moment, Lt Col Ricardo Garibaldo gave Televisora Nacional the following statement:

[Begin recording] [Garibaldo] The impact of the U.S. Government's actions against Panama is something we have to think about. We have to think about it, because a lot of the equipment used by the IRHE—I would not be exaggerating if I said 70 percent of the equipment used by the IRHE—is made by the United States. If the United States were to decide not to sell to us, we would be seriously affected.

However, this does not mean we are going to sit down and cry; this is a challenge for IRHE. IRHE's greatest goal is to provide electricity for all the Panamanian people. This has forced our people to become aware of the situation and to use what we have to confront the situation. Many of our employees have worked hard to repair old equipment so we may continue to provide the people with this service. This is what has allowed Panama to continue offering this service to the people.

We must also congratulate many friends throughout the world, not only in Latin America, who have extended us a hand during these critical moments.

[Reporter] Do you foresee an increase in rates for 1989?

[Garibaldo] The president of the Republic and IRHE workers know we cannot further punish the Panamanian people. Our great mission is to continue providing the service at the current rate. I would also like to say our

electricity rates are not the highest in the world. They are among the most moderate rates for such an important service, for electricity. [end recording]

Court Authorizes IRHE To Fire Rodriguez

PA2201154689 Panama City CRITICA in Spanish 20 Jan 89 pp 32, 24

[Text] According to a ruling issued by the Superior Labor Court, "the Institute of Hydraulic Resources and Electrification (IRHE) is authorized to dismiss Isaac Rodriguez, secretary general of the IRHE labor union, for having committed offenses that are causes for dismissal, as listed in Articles 6, 7, and 14 of the 8 February 1975 law."

The ruling was signed by Magistrates Miguel Gonzalez, Antonia Rodriguez F. de Arauz, and Carlos E. De Icaza M.

IRHE had requested Rodriguez' dismissal for his involvement in several crimes, including sabotage of energy service that left the country without such service for several hours. Rodriguez used his portable radio to issue orders to operators in several plants throughout the country.

According to the accusation against Rodriguez, he used his position and radio to enter several energy plants and the IRHE Distribution and Delivery Center and order the workers operating the Edwin Fabrega, Estrella, Los Valles, Ascanio Villalaz, 9 January, and San Francisco plants to turn the plants off or suspend their operation without having the administrative power to do it. It was an order these operators followed immediately and simultaneously.

Magistrate Gonzalez' statement gave a detailed account of the incident, including an estimate of the damage caused by Rodriguez' crime. He noted this action caused approximately 8-million-balboas damage to the national economy and approximately 1 million balboas to IRHE.

Rodriguez went to the Spanish Embassy after these incidents and then left for Spain, where he currently resides.

COLINA on Economic Development, Modernization

PA2301140489 Panama City CRITICA in Spanish 21 Jan 89 p 14

[Unattributed report: "COLINA Will Promote Investments To Bring About Employment"]

[Text] One of the National Liberation Coalition's (COLINA) basic principles is economic development. On this subject, COLINA has pointed out it will establish a plan to break down unilateral dependency and modernize our economy.

COLINA has also stated that the plan will promote active participation of all economic sectors, including the Canal area, and the necessary measures to promote domestic and international investments and generate job sources will be applied to attain our national development goals.

COLINA affirms that the economic model will include the protection of natural resources and ecological balance.

Regarding the foreign debt, COLINA will struggle to change the terms imposed by creditors. Collective negotiation with all the Latin American debtors should replace bilateral negotiations, and debtors should maintain the criteria that our foreign debts cannot be paid at the expense of our national development.

Government To Regulate Public Transportation

PA2301150789 Panama City LA ESTRELLA DE PANAMA in Spanish 21 Jan 89 pp A-1, A-2

[Text] According to Executive Branch Decree No 2 issued on 19 January, to avoid duplicity of functions and ensure administrative efficiency, the Government and Justice Ministry is empowered to establish all the public, cargo, and passenger transportation regulations.

The decree abolishes Decree No 175 of 30 June 1966, which had been modified by Decree No 187 of 20 June 1966, Decree No 188 of 21 June 1966, and Decree No 177 of 16 March 1967.

These decrees, issued by the Government and Justice Ministry, created the National Commission of Ground Transportation [Comision Nacional de Transporte Terrestre] as an advisory and consultation organization to the Executive Branch and to the Government and Justice Ministry in matters of ground transportation. One of its functions was to advise the Government and Justice Ministry on matters related to the certificates of operation and circulation for commercial vehicles. Decree No 117 issued the National Commission of Ground Transportation's regulations.

However, there was also a Cabinet Decree No 26 of 21 August 1969, which created the General Directorate of Land Traffic and Transportation. One of the functions of this organization was to "attend, revise, issue, and revoke the circulation permits for the collective transportation of passengers and cargo." These functions were reaffirmed in Law 20 of September 1983.

As can be observed, there are several legal dispositions on the same matter. This is the basic reason for Decree No 2 of 19 January 1989. It revokes previous dispositions and states that the Government and Justice Ministry is responsible for the regulation of public transportation's present and future complementary services, including the establishment of transportation terminals and their concessions.

Ministry Reports Drop in Commercial Licenses

PA2301143289 Panama City LA ESTRELLA DE PANAMA in Spanish 21 Jan 89 pp A-1, A-2

[Report by Hermes Sucre Serrano]

[Text] According to statistics disclosed by the Commerce and Industries Ministry's [MICI] Commerce General Directorate, the U.S. economic sanctions against Panama resulted in a 34-percent drop in the granting of commercial licenses in 1988.

The MICI office noted that 5,041 licenses were granted in 1987, while the figure for 1988 was 3,333. Most of these licenses were type B [not further explained]. Comparing capital investment figures, it was noted that approximately $38 million was invested in 1987 and approximately $16 million in 1988.

Private sector leaders blame the drop in industrial and commercial growth on the uncertainty investors felt after the banks' closure in March 1988 and the country's political situation.

Meanwhile, top government representatives categorically stressed that the U.S. sanctions against Panama are to blame for the negative impact suffered by the country's industry and commerce during 1988.

Commerce and Industries Minister Mario Rognoni has repeatedly said the U.S. blockade has not only caused quantitative damage to the Panamanian economy, but has damaged the country's image abroad through the use of disinformation. This blockade has also prevented the country from receiving new investments. Rognoni coordinated actions with the Panamanian Foreign Trade Institute (IPCE) to attract investments from Asia, Europe, and South America and increased exports in alternate nontraditional markets.

Recently, Luis Barletta [executive director of the Panamanian Foreign Trade Institute] met with members of the diplomatic corps to seek mechanisms to promote the country's products in foreign markets. Barletta said exports will surpass $200 million in 1989.

The Commerce General Directorate, under the responsibility of Luz Celeste de Davis, added that the drop in commercial and industrial licenses resulted in a drop in the generatation of jobs. The report added that 15,653 jobs were created in 1987 and 10,050 in 1988.

Newspaper Supplement on'89 Economic Projections'

PA2401160189 [Editorial Report] Panama City LA ESTRELLA DE PANAMA in Spanish on 23 January carries a 10-page supplement entitled "1989 Economic Projections," which contains 13 articles that feature the opinions of prominent Panamanian economic experts from private and government sectors:

1. A 1,300-word article quotes Mario De Diego, executive director of the National Banking Commission, who says the crisis in the national banking system was not generated by any significant factors; it was caused by fictitious situations, speculation, and, to a great extent, emotion. He stresses that neither the system nor the banks that compose the system are in bad condition. He stresses that there will be no changes in the banking structure and comments on possible measures to reactivate the system that is being studied.

2. A 425-word article contains answers by National Bank General Manager Rafael Arosemena to four questions on economic perspectives for 1989, upcoming elections, bank plans to improve the economic situation, and improving the bank situation. He says that the bank situation should improve this year, that elections are the best way to resolve political problems, that the National Bank will give priority to the agricultural and industrial sectors, and that the lifting of restrictions on checking accounts did not bring about mass withdrawals; deposits have actually increased.

3. A 650-word article quotes Guillermo Fernandez, president of the Exporters Association, who says that the production of manufactured goods has dropped 18 percent and that international buyers do not believe Panama is a reliable supplier because of the crisis.

4. A 425-word article is an interview with Ernesto Fernandez, first vice president of the Association of Colon Free Zone Users. Fernandez believes 1989 could turn out to be better than 1988. He calls for the improvement of port, railway, and ground transportation services. Fernandez complains about increased thefts at the Port of Cristobal and lax security inside the free zone.

5. A 1,600-word article reports on an interview with Carlos Hoffman, businessman and former minister, in which he says the crisis has shown, for the first time, that Panamanians can be better administrators. Hoffman says Panama is actually a poor country that lived as if it were rich and believed it to be so. He adds that no more adjustments can be made, as is evident by the government's already discussing the possibility of reducing salaries. Hoffman laments that it will be very difficult to restore the trust of foreign depositors.

6. A 625-word article states that according to Finance and Treasury Ministry spokesmen, fiscal revenues dropped almost 40 percent in 1988. It cites the official ministry publication as stating that the country has switched from a planned economy to a contingency and survival economy.

7. A 425-word article quotes Julio Luque, president of the Colon Province Chamber of Commerce, who says Colon is the province most adversely affected by the crisis. He calls for actions requiring little or no investment and having immediate impact such as the free port project currently under discussion.

8. A 300-word article quotes Jaime Simmons, general manager of the Savings Bank, who says that more special Christmas savings accounts were opened this year than in each of the 3 previous years. He says this bank is the barometer of the Panamanian people's ability to resist.

9. An 825-word article quotes Jose Raul Mulino, acting president of the Panamanian Association of Business Executives, who says that the effects of the 1988 economic recession will be felt this year. He adds that the usual paralyzation of investments before elections will compound the problem.

10. A 700-word article quotes Jose Cardona Mas, manager of the National Savings and Loans Association, who says that the country's economy will survive, not improve in 1989. He notes that the Panamanians' heavy consumption has averted a collapse.

11. A 500-word article quotes George Richa, former Industrialists Association president, who says that in the face of the crisis, the country must save foreign currency, consume local products, and foster government-opposition talks. He adds that the agroindustrial sector has been the least affected by the crisis.

12. A 425-word article quotes Eduardo Rodriguez, director general of the Panamanian Construction Chamber, who says that the construction sector has taken the brunt of the crisis. He calls for a restructuring of the national mortgage system.

13. A 700-word article quotes real estate expert Wilfred Eskildsen saying that this sector of the economy has suffered an 80-percent drop in activity. He adds that this sector depends on the construction sector, which has been affected by a 99-percent (as published) unemployment rate in 1988.

Comptroller Rodriguez on Economic Situation
PA2401144389 Panama City LA ESTRELLA DE PANAMA in Spanish 23 Jan 89 pp 1, A-10

[Report by Juan Carlos Duque McNamara]

[Text] In exclusive statements to LA ESTRELLA DE PANAMA, Panamanian Comptroller General Francisco A. Rodriguez said Panama's exports will continue having difficulties during 1989 as a result of "U.S. sanctions and measures," and that it will become necessary to look for new horizons for "exporting our products and minimizing the difficulties in obtaining raw materials."

Rodriguez gave this newspaper his ideas on the development of the country's economy during 1989 and defined the criteria of the comptroller's office for facing the crisis.

Rodriguez said that during 1989, the country's economy will continue to decline, although not to 1988 levels.

"Unemployment will increase. Salaries and public investments will remain stagnated while foreign investments will be held to a minimum," the comptroller said.

Rodriguez underscored that the drop will be less than in 1988, affecting the Gross National Product "but not the Panama Canal or the Petroterminal oil pipeline."

The comptroller general replied to a questionnaire submitted by LA ESTRELLA DE PANAMA.

Rodriguez said exports will continue meeting the difficulties Panamanian products are currently facing in international markets and that public and family consumption will continue to decline slightly.

"Consequently, the negative effects upon tax collections and payment of public services will continue but with less force," the high-ranking official stressed.

We asked what measures the Comptroller General's Office recommends to the national government to overcome this phase of the crisis without paralyzing the public administration.

The comptroller replied that government institutions must continue making even more rational, efficient, and effective use of available resources.

He also said current public sector contracts need a complete review to gain more benefits for the country.

"We are talking about rentals, insurance, propaganda..."

The comptroller said recommendations he made from the beginning are still being followed, because these are contingency situations and, above all, priorities for these must be clearly established.

"This is how uneasiness is staved off, waste of resources prevented, and duplication of solutions avoided. The problem is faced with realism, the most important areas are determined, and appropiate steps are then taken."

Rodriguez recommended a series of measures in view of the country's situation, among which are increased steps to recoup accounts receivable that government entities have pending and determine the convenience of participating in production activities through public institutions.

"There is a need to define an overall policy on the most practical use for the country, including the reverted properties surrounding the Panama Canal," Rodriguez said. He added that it is necesary to correctly apply current tax and national laws to increase municipal and national tax collection.

The comptroller stressed that public officers should consider and become aware of the seriousness of the present situation; otherwise it would be impossible to

expect the administration to be a capable and efficient medium to successfully overcome these times, "brought about by the aggression our country is suffering."

Rodriguez sent a message to all Panamaians saying that "all Panamanians and others living here should be aware of the seriousness of the current situation and show their solidarity by considering those who are or will become the most affected because of their socioeconomic condition."

According to Comptroller Rodriguez, we all should and must participate in a positive and constructive effort so the country may overcome these dramatic moments before even further harm is done.

"No one can isolate himself from this obligation," he stressed. Rodriguez ended by telling LA ESTRELLA DE PANAMA that "far from being a pessimist, our perception of the country's immediate future is full of confidence because of the country's recognized ability to recover from all types of difficulties, especially when this can be done with a serious and responsible understanding of our realities."

Trade Increases Despite 'U.S. Aggression'

PA2301165889 Panama City Domestic Service in Spanish 1645 GMT 21 Jan 89

[Sumnmary] In spite of U.S. aggression and pressure, Panama exported products worth 25 million balboas to the Central American and Caribbean areas in 1988, a source of the Foreign Trade Institute of Panama has reported. The source added that this figure is a record high during this decade and reflected sales of dairy products and cosmetics manufactured in Panama.

Government Reportedly Defaults on Debt Payments

PA2101032789 Panama City MEDIODIA in Spanish 20 Jan 89 p 2

[Text] A member of the Panamanian Government's economic team has reported that during 1988, the Panamanian Government failed to pay 400 million balboas of its debt to international organizations, 10 million balboas worth of local bonds, and 130 million balboas of its debt to local businesses.

The source added that no payments were made last year to service the foreign debt.

The source also reported that the domestic debt was "partially paid."

The member of the economic team said the defaults were caused by the U.S. economic sanctions against Panama and a drop in government revenues.

According to other sources, Panama's foreign debt currently totals approximately 4 billion balboas.

Construction Industry at 20 Percent of Capacity

PA2201210389 Panama City Telemetro Television in Spanish 2300 GMT 20 Jan 89

[Text] The construction industry is operating at 20 percent of its capacity because due to a lack of money for investment in this sector. In 1987, 159 million balboas worth of construction permits were issued, while in 1988, only 32 million balboas worth of permits were issued. Of that amount, 11 million balboas were issued in the 1st 2 months of 1988.

In 1987, 4,000 houses were built, while none were built in 1988, even though approximately 200,000 houses are needed to solve the housing shortage in the country.

A similar deterioration is evident in the construction job market where approximately 16,000 construction workers have been left unemployed as a result of the crisis. However, some projects have been reactivated with the help of banks.

Agricultural Imports, Exports To Be Approved

PA2001231989 Panama City LA ESTRELLA DE PANAMA in Spanish 20 Jan 89 p A-1

[Text] All permits issued by the Agricultural and Livestock Marketing Institute [IMA] for the import or export of agricultural or industrial products through the use of quotas, stamps, coupons, or any other system will now be issued, after the IMA Executive Committee has expressed an opinion, through a government resolution signed by the minister in charge of the Presidency and the agricultural development minister.

This regulation is contained in Decree No 2 of 19 January, which discusses measures related to establishing quotas for agricultural and industrial products. According to Article 2 of this decree, all import or export quotas established in violation of this provision will be declared null and void.

This decree was implemented to avoid problems such as the case that occurred recently when several agricultural products were imported while waiving some of the legal provisions regulating this type of transaction that is very important for local producers.

Regarding this decree, the IMA Executive Committee can express an opinion on the import or export requests, but the final decision on whether a transaction will or will not take place will only be made by the executive branch.

The IMA Executive Committee, which is authorized to administer marketing policy in accordance with the government's policy as expressed by the Agricultural Development Ministry [MIDA], is composed of the MIDA minister, the MIDA national production director, the director of the Price Control Office, the BDA [Agricultural Development Bank] manager, and a nonvoting representative of the Comptroller General's Office.

Government Detains, Expels Spanish Reporter

PA2501050689 Madrid EFE in Spanish 0432 GMT 25 Jan 89

[Text] Caracas, 25 Jan (EFE)—Upon his arrival in Caracas, Joaquin Ibars, a correspondent for the Spanish newspaper LA VANGUARDIA, told EFE that he had been expelled from Panama on Tuesday after being held, incommunicado, for 4 hours. Ibars said he was given no explanation for the expulsion.

Ibars, 45, believes he was expelled because of his reports on Panama and its "strongman," General Manuel Antonio Noriega. The correspondent added that in the past, his reports were the cause for "unfriendly actions" on the part of Panamanian officials.

The Spanish correspondent arrived in Panama at noon, and after having his passport and airplane ticket withheld, was taken to a Defense Forces office at the Omar Torrijos Airport. Ibars said he was held there, incommunicado, for 4 hours.

Ibars asked to be allowed to call the Spanish Embassy or the EFE offices, but the security officials who were holding him refused his request. However, they did agree to send him to Caracas rather than returning him to where he had come from, San Jose, Costa Rica.

Ibars, who is based most of the time in Mexico and has been a LA VANGUARDIA correspondent in Central America for the past 6 years, said he has never experienced such a situation.

Despite being held incommunicado, the reporter said he was treated well by the Panamanian security officers.

Ibars had planned to remain in Panama until Sunday, and then travel to Caracas to cover the swearing in of the new Venezuelan president.

During the past few years, the Spanish reporter had traveled to Panama several times to report on the country's political crisis, and on one occasion—he told EFE—"I was on the verge of being lynched" when a government official, who had criticized his work, tried to lead a progovernment gang against him.

Ibars was nevertheless surprised about his expulsion because, he said, it has been months since the Panamanian Government had taken this type of action which, he stressed, mostly affected U.S. correspondents.

Latin American Labor Leaders Hold Meeting

PA2001194889 Panama City Circuito RPC Television in Spanish 2300 GMT 19 Jan 89

[Text] Labor union leaders from 11 Latin American nations have gathered in Panama to analyze the theory of overall democracy in the political, economic, social, and cultural sectors. The labor union leaders are from Argentina, Peru, Costa Rica, Curacao, El Salvador, Ecuador, the Dominican Republic, Chile, Venezuela, Uruguay, and Panama. They will also analyze the Panamanian workers' struggle for a true democracy, sovereignty, self-determination, and human rights.

The meeting, which is taking place at the El Ejecutivo Hotel, is being followed by the international and local press, who expect an important statement.

Italian Firm To Build Modern Cargo Terminal

PA2201213789 Panama City Televisora Nacional in Spanish 2300 GMT 20 Jan 89

[Summary] Lieutenant Colonel Pascual Gonzalez De Leon, director general of Civil Aeronautics, today signed a $39.8-million contract on behalf of the Panamanian Government for the construction of a modern air-cargo terminal at the Omar Torrijos International Airport in Panama City. An Italian consortium will soon begin construction of the cargo terminal, which will include modern and specialized technology for handling domestic and international shipments.

OAS Envoy Arrives on 'Consultation Mission'

PA2401185589 Panama City LA ESTRELLA DE PANAMA in Spanish 24 Jan 89 p A-4

[Text] Panamanian ambassador to the OAS Aquilino Boyd arrived in Panama yesterday on a consultation mission. The job he is doing in the United States in favor of Panama's interests has been widely reported on and much of the wrong views about our country have been changed druing his meetings with congressmen and top U.S. leaders. Other sources believe he is a political figure who could provide surprises at any given time.

Official Warns Teachers Against Protest Actions

PA2001205389 Panama City Telemetro Television in Spanish 2300 GMT 20 Jan 89

[Statement by Deputy Education Minister Juan Bosco Bernal; date, place not given]

[Text] Holding back grades is a violation of Education Ministry regulations, and the ministry has the right to impose sanctions, Education Deputy Minister Juan Bosco Bernal warned today. Concerning the picketing staged today by teachers, he said that this picketing is taking place during work hours, and he called on the teachers who are not complying with their responsibilities to think this over carefully.

[Begin Bernal recording] All public employees are facing this situation. It is not a problem limited to Education Ministry employees, and much less, to teachers. We must all understand the serious problems afflicting our country as a result of the U.S. Government's aggression against the Panamanian Government and people. U.S. banks and the

U.S. Government itself are holding back a substantial part of our income. This has prevented our country and state from meeting the needs of our social programs.

We want to point out that we deplore this attitude. We deplore that school time is being used for carrying out activities that violate specific regulations on the work of teachers and professors. To that effect, we urge the teachers to carefully think this over and carry on with their work in an appropriate manner. They should not jeopardize the rights of our children to attend classes and receive a good education. Teachers should comply with the commitment they made when they decided to become teachers and provide students a quality education.

This is what we want to tell the teachers, particularly those who are engaging in this type of activity. We also want to point out that the Education Ministry will not give up its administrative responsibility of adopting the measures it may consider most adequate to ensure classes are held and the academic calendar is fulfilled. [end recording]

Concerning threats by some teachers to hold back grades, Professor Bernal said the following:

[Begin Bernal recording] Teachers have a responsibility to give grades and deliver student evaluations on time. That is one of their functions and duties. To that effect, any teacher who does not comply with this responsibility is not fulfilling his duty as a teacher, and he might be penalized according to regulations and Decree No 100. [end recording]

84 AIDS Cases Reported Countrywide

PA2201025589 Panama City Circuito RPC Television in Spanish 2300 GMT 19 Jan 89

[Summary] Otilia Chen, a spokesman for the National AIDS Office, reports that as of 1 December 1988, 84 cases of AIDS had been reported in Panama. Eighty-eight percent of the cases involved males and 12 percent females, and 65 percent of the cases were sexually transmitted.

This office's greatest interest, however, lies in the mechanisms to prevent and control the disease, Ms Chen said. She explained that a five-point program has been implemented and that in 1989 the National Aids Office is determined to devote all of its prevention and control efforts to the entire community, especially to high-risk groups.

Argentina

Further on Attack on La Tablada Garrison

1 Policeman Dead, 23 Wounded

PY2401123289 Buenos Aires TELAM in Spanish 1157 GMT 24 Jan 89

[Excerpts] Buenos Aires, 24 Jan (TELAM)—A total of 23 members of the Buenos Aires Provincial police were wounded yesterday, most of them seriously, during the clashes that took place at the 3d Motorized Infantry Regiment in La Tablada, according to a report released this morning by that institution. [passage omitted]

The Provincial Police also reiterated that Sergeant Jose Manuel Soria, 22, was the only member of the force to die in the clashes that took place at the regiment. Soria was a member of La Matanza Police Infantry Unit.

Army Shells Company B Building

PY2401123189 Buenos Aires TELAM in Spanish 1215 GMT 24 Jan 89

[Text] Buenos Aires, 24 Jan (TELAM)—At 1007 (1207 GMT), the Army again directed artillery fire at the partially destroyed Company B building of the 3d Infantry Regiment in La Tablada.

The building has been virtually reduced to ruins. The attack was caused by the subversives' refusal to surrender.

Army Halts Offensive

PY2401130089 Buenos Aires TELAM in Spanish 1251 GMT 24 Jan 89

[Text] Buenos Aires, 24 Jan (TELAM)—The Army's offensive against what was left of the noncommissioned officers' mess hall of the La Tablada regiment ceased at 1040 [1240 GMT].

Some military men entered the ruins of the building, where it is presumed that there are some subversives who did not want to surrender.

At this time all is calm.

Alfonsin Sees Confiscated Weapons

PY2401135989 Buenos Aires DYN in Spanish 1346 GMT 24 Jan 89

[Text] Buenos Aires, 24 Jan (DYN)—President Raul Alfonsin inspected the war materiel that was captured from the extremists during yesterday's clashes at the 3d Infantry Regiment in La Tablada.

The inspection of the foreign and very highly sophisticated materiel was carried out at the premises of the Army's Operations Command.

Alfonsin was also told how powerful and up-to-date the weapons are.

Alfonsin Arrives in La Tablada

PY2401140589 Buenos Aires TELAM in Spanish 1357 GMT 24 Jan 89

[Text] Buenos Aires, 24 Jan (TELAM)—The helicopter carrying President Raul Alfonsin landed in the area of the La Tablada regiment at 1152.

The police had previously reinforced security in the area.

Reporters were not able to see if the president was accompanied by any officials or by Army Chief of Staff General Francisco Gassino.

Sniper Fires, Forces Deploy

PY2401142789 Buenos Aires TELAM in Spanish 1415 GMT 24 Jan 89

[Text] Buenos Aires, 24 Jan (TELAM)—A sniper has been located in an automobile that is parked near the intersection of Crovara and Pichincha Streets, near one of the entrances to the La Tablada regiment.

Police forces were deployed to arrest him because the sniper opened fire as the helicopter carrying President Alfonsin was landing in the area.

The automobile is a white Renault.

Following the shooting by the sniper, President Alfonsin [words indistinct] under heavy guard.

At 1208 the police forces were deployed to arrest the sniper. Shots were heard again at 1209.

As of 1211 [1411 GMT], a fierce clash is continuing in an area in the neighborhood of the La Tablada regiment, where President Raul Alfonsin is currently making an inspection.

Police have arrested three persons who are apparently linked to the subversives that attacked the regiment.

[Words indistinct] firing at the moment that President Alfonsin was arriving.

Sniper 'Presumably' Killed

PY2401145689 Buenos Aires TELAM in Spanish 1441 GMT 24 Jan 89

[Text] Buenos Aires, 24 Jan (TELAM)—At 1230 [1430 GMT] the situation was very confusing in the neighborhood of the 3d Infantry Regiment, where President Alfonsin apparently remains.

Following an intense gun battle between at least one sniper and the police and members of the military, the firing has stopped.

A sniper has presumably been killed. He had barricaded himself behind a water tank that was virtually destroyed. This sniper opened fire at the moment when the chief of state arrived. This confrontation took place at the corner of Crovara Avenue and Pichincha Street.

At the corner of Crovara Avenue and Somellera Street shots were again heard at 1236.

Helicopter Gunship Action

PY2401151489 Buenos Aires DYN in Spanish 1502 GMT 24 Jan 89

[Text] Buenos Aires, 24 Jan (DYN)—An Army helicopter gunship opened fire with a machinegun over the zone where the snipers are located, but the bullets are also hitting houses, which may cause civilian casualties.

The helicopter is flying over the water tank from where the snipers opened fire against the regiment as President Raul Alfonsin arrived.

The heavy machinegun is being operated by an Army soldier from the open door of the helicopter.

Alfonsin Leaves Area

PY2401151589 Buenos Aires TELAM in Spanish 1505 GMT 24 Jan 89

[Text] Buenos Aires, 24 Jan (TELAM)—President Raul Alfonsin has left the La Tablada regiment in a helicopter. A fierce gun battle occurred on his arrival between the police and security forces and snipers located at points near the unit's perimeter.

Alfonsin's departure was announced by Radio Rivadavia of this city.

Alfonsin Visit Described

PY2401160389 Buenos Aires DYN in Spanish 1636 GMT 24 Jan 89

[Excerpt] Buenos Aires, 24 Jan (DYN)—Today President Raul Alfonsin congratulated the members of the Army and the Buenos Aires Police for recovering the facilities of the 3d Infantry Regiment. Meanwhile, snipers stationed in the surrounding area have engaged in a violent exchange of fire with security forces, who were supported by a military helicopter firing a heavy machinegun.

Apparently Alfonsin did not pay much attention to the shoot-out and continued inspecting the destroyed Army unit while officers huddled together around him as protection.

Alfonsin was accompanied during his inspection with military and police officials by Buenos Aires Police Chief Walter Jurado, Defense Minister Jose Horacio Jaunarena, and other high military officers. [passage omitted]

Police Chief Comments

PY2401164589 Buenos Aires DYN in Spanish 1610 GMT 24 Jan 89

[Text] Buenos Aires, 24 Jan (DYN)—The Buenos Aires chief of police, Inspector General Walter Jurado, today asserted that the military situation inside the La Tablada 3d Infantry Regiment "is fully under control" and confirmed that a total of 13 rebels have been arrested.

In a statement to the media at the site where the bloody clashes took place between Army troops and the rebels who yesterday tried to occupy the regiment, Jurado identified those arrested as belonging to a "leftist group, allegedly belonging to the ERP (Peoples' Revolutionary Army)."

The chief of police denied that members of the terrorist Montoneros group were among the rebels and confirmed that those arrested are being held incommunicado and at the disposal of the Moron Federal judge who is hearing the case.

At 1300 the situation in the area where the clashes took place was one of "tense calm, now that the group of rebels inside the regiment has been fully controlled by the Army."

Jurado added that "13 people have been arrested and placed at the disposal of the federal judge."

He also said that all the arrested have been identified.

When asked about the situation outside the military unit, the chief of police commented that a shoot-out had occurred between the policemen and snipers from the tops of some buildings.

Jurado added that "they (the policemen) had been taken by surprise by the snipers. We are cordoning the area off in order to try and control the situation."

Regarding the leanings of the rebels, Jurado said that the Buenos Aires Police are not certain. He said that "right now they are being held incommunicado and are at the court's disposal."

Jurado added that "it is believed they are leftists, presumably members of the ERP." He then denied that there are Montoneros among them.

When asked how many people had died, Jurado stated that within the regiment at 1300 "were some 20 dead rebels, some of them burned to cinders. There are even the bodies of women; they are all very young people," he added.

Journalists Visit Camp

PY2401171289 Buenos Aires DYN in Spanish 1648 GMT 24 Jan 89

[Text] Buenos Aires, 24 Jan (DYN)—Lieutenant Colonel Echezarrita, one of the officers in charge of the operation in La Tablada, has reported that 10 prisoners were captured. He added that they are being held in the unit under the responsibility of Federal Judge Gerardo Larrambebere of Moron.

Echezarrita talked with reporters who visited the garrison. He refused to say when and where the prisoners will be taken "for security reasons."

During the visit the reporters saw at least a dozen corpses in different parts of the regiment. Among them was the body of one conscript and three women; the others were male members of the subversive group. Most of them were young and wearing jeans. It was difficult to establish their identities because the bodies were badly mutilated.

At about 1430, when the reporters concluded their visit, the situation in La Tablada was calm. Groups of noncommissioned officers and officers were sitting under the trees resting, drinking water, and eating oranges. However, they are still in a state of alert.

La Tablada Calm, Troops Withdraw

PY2401184989 Buenos Aires DYN in Spanish 1806 GMT 24 Jan 89

[Text] Buenos Aires, 24 Jan (DYN)—The situation in the vicinity of the 3d Infantry Regiment at La Tablada began returning to normal at 1530, after 27 hours of chaotic confrontations that resulted in dozens of victims.

Army, Police, and area residents suffered hours of tension; however, the troops that fought for the recovery of the garrison are now withdrawing and SEGBA [Greater Buenos Aires Electrical Service] workers are repairing the high-voltage wires damaged in the fighting. Traffic through the area's beltway is also returning to normal.

At approximately 1330, groups of police assigned to the area began returning to their barracks as area residents cheered the end of the fighting.

Columns of soldiers were departing on the beltway and two 20-mm cannons, which were positioned on the sidewalks outside the regiment during the fighting, were taken back inside the unit.

Hundreds of neighbors and curiosity seekers came to the regiment site to watch the building wreckage and the moving sight of corpses of extremists strewn on the unit grounds, most of them badly injured and burned.

Mop-up operations continued around the regiment camp as sporadic gunshots were still heard up until 1500, at which time they stopped.

Some 'Subversives' Identified

PY2401233189 Madrid EFE in Spanish 2241 GMT 24 Jan 89

[Text] Buenos Aires, 24 Jan (EFE)—The Buenos Aires afternoon newspapers have reported that two Peruvians, one Angolan woman, and a Nicaraguan are among the foreigners indetified among the corpses of the group that attacked the 3d Infantry Regiment in La Tablada.

Some sources claim that a Bolivian and a Colombian are numbered among the subversives as well.

According to the afternoon newspaper LA RAZON, several informants linked the Peruvian "Shining Path" group to the attack on the regiment.

The Buenos Aires afternoon newspaper CRONICA reports that among the detainees is a young man accredited to Buenos Aires as a member of the French television media.

CRONICA adds that a young girl no more than 16 years old is numbered among the dead.

Government sources have reported to EFE that the assault group was made up of 60 people, although they did not specify the number of dead, wounded, or detained.

An Army captain told CRONICA that 38 subversives were killed, 3 of them women.

He also reported that 14 subversives surrendered today, and that 8 of the attackers were wounded.

Alfonsin Addresses Nation

PY2501015789 Buenos Aires Domestic Service in Spanish 0047 GMT 25 Jan 89

[Speech by President Raul Alfonsin from the White Hall of Government House in Buenos Aires—live]

[Text] Fellow countrymen:

Destiny is confronting us with a new challenge. I believe this is the most serious and most decisive challenge faced by my administration. We are facing the armed agression of irregular ultraleftist forces. They have been identified and their names will be disclosed as soon as the court authorizes this action. Seven Army servicemen and one Buenos Aires Provincial policeman died. Thirty-eight Army members, 19 Buenos Aires Provincial police officers, and 6 Federal Police officers were wounded. Twenty-eight terrorists were killed and there may still be corpses among the rubble. Fourteen attackers were arrested and placed at the disposal of the courts.

Proof of their hallucination is the document-proclamation that was confiscated by the Army, on which I was briefed this morning.

At noon today I went to La Tablada. Those of us who were there were shaken by a horrifying scene. It was a nightmare. Death, death again. Brutality, barbarous cruelty. Every step of the way we found tangible signs of the strong aggression suffered not only by a regiment, but by the entire Argentine nation.

At every step we were also able to witness the courage of those who today deserve the recognition of the fatherland.

We were able to repeal this subversive action because we had men who were determined to fight. I want to tell them that this is also my fight. No one here will look the other way while others are risking their lives. This is my fight and I will lead it to the end. I will lead it until society is free from this type of aggression. I will wage this fight only within the law, with the full force of the law and the legitimate powers bestowed upon us by the people.

We will not forget what we saw today. I ask you to not forget it either. Today some families are weeping. Let us think of them with gratitude. Some fellow countrymen died to allow us to preserve our freedom, our way of life, our coexistence. May God forbid it, but it is not unlikely that much remains to be done, that more lives may still have to be given for Argentina.

Therefore, let no one be deceived. We will show no sign of weakness whatsoever. If anyone believed that democracy is a defenseless system, now he will realize how wrong he was.

We are facing the challenge of fighting subversion within a state of law. It is the last major test for my government, and we will not fail.

Society no longer tolerates violence, from whatever origin. Society knows that if we do not break this chain that generates more violence, we will run a very serious risk.

A little over 1 month ago, when democracy gave another decisive step toward its own consolidation, I said in Congress that the struggle against terrorism would be successful only if we treat it as a struggle that involves each and every one of us, a struggle of the whole Argentine society against the roots of its own cultural decay.

Terrorism cannot be overcome if all forms of illegal action are not also eliminated. Either all forms of illegal action are simultaneously eliminated, or terrorism will continue among us. These ideas are now particularly significant.

I know that, based on the these principles, everyone will be willing to confront this new situation, as we have seen over the past few hours. The Armed Forces, the security forces, businessmen, unions, and political parties were all willing to defend freedom and coexistence.

The process of consolidating democracy and the institutions has been once again strengthened. Democracy has now been confronted with the insanity and bloody action of those who use violence as a political method, despite the fact that this elite and absurd method has been clearly rejected by all Argentines.

Democracy has been strengthened, although at a very high price. Many lives have been lost to uphold the commitment that Argentines have to freedom, tolerance, and, in one word, to the Constitution. All of us feel great pain and sorrow when paying tribute to those who gave their lives for the preservation of our tranquillity.

We feel astonishment and indignation at the bloody and cruel action of these messengers of death. Yet at the same time we feel the legitimate pride of seeing the men of the Army, who have once again given tangible evidence of their courage, demonstrate their unwavering determination to defend our independence and to preserve the people's sovereignty.

In my capacity as president and commander in chief of the Armed Forces, I congratulate all the men of the Army who acted with determination and courage to check the action of the criminals.

I also extend my recognition to the security forces, especially the Buenos Aires Province police, and my solidarity, which is the solidarity of all Argentines, to the relatives of those who died.

To pay tribute to their memory, to share the pain of their relatives, and to pray to God, I want to propose that the Argentine people observe a day of national mourning next Sunday, in order to reflect and meditate on our upcoming responsibilities. This will surely be the best tribute to those who gave their lives for democracy and freedom, because this is a challenge that involves everyone. Yet it is above all a responsibility of my government.

Consequently, I want to announce that two decrees will be released tomorrow.

The decrees will create the framework and the procedural instruments which we believe to be the most appropriate for confronting this aggression.

First, a national security council will be created. I will outline some of its main objectives: To advise the president on the strategy for antisubversive action, to coordinate the action of security organizations in order to be effective; to coordinate operational intelligence tasks; and to coordinate action with the provincial governments.

Second, the seriousness and complexity of the events, the possibility that such events may occur in other parts of our territory, and the need to guarantee the results of the investigation make it essential to perform investigations under a single director. Therefore, I have given the

necessary instructions for the coordinated action of the attorney general. I have ordered all the national public administration offices to give their full support in complying with this task.

Fellow countrymen, we must not be confused about the enemy. No one must be mistaken. Our constant preaching for the rights of man is not equivalent to weakness in face of armed subversion. Our determination to struggle must not be confused with the indiscriminate use of force.

Those who attack the national institutions have once again chosen the path of the jungle. They have wounded our Army and harmed the nation.

The Republic in all its majesty knows how to face and defeat them. Once again we have been challenged by violence, which we will face with all our energy. This is our chance to show the world and ourselves that we have learned from our past, that our democracy is not soft, that the Republic and its institutions have the appropriate answer. Good evening.

Group's 'Proclamation' Released

PY2501023889 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0225 GMT 25 Jan 89

[Text] Buenos Aires, 24 Jan (NA)—The self-styled People's Resistance Front [Frente de La Resistencia Popular] (FRP), which has claimed responsibility for the attack on the 3d Infantry Regiment in La Tablada, planned to justify the attack by issuing a proclamation which stated that an Army sector was planning a coup d'etat.

The FRP proclamation, which was mentioned by President Raul Alfonsin in the message he delivered tonight, was disclosed through a photocopy issued by the Government House News Office.

In the proclamation the FRP states: "The army of Seineldin and Rico has again rebelled" and adds: "It wants to perpetrate a coup d'etat."

The frustrated subversive proclamation states: "They want to kill all those who refuse to accept to live under the Armed Forces' terms." The proclamation also called on the people "to gather at Plaza de Mayo to impose the people's government."

The terrorist proclamation said: "At midnight today the blackened faces revolted at the 3d Infantry Regiment at La Tablada." It then adds that "these men were prepared and were starting to march on Government House."

The document adds: "They were going to murder everyone standing in their way, just as they killed 30,000 fellow countrymen during the military dictatorship."

The statement adds: "We are tired of the arrogance displayed by the military; we are tired of their crimes and coups that have prevented us from living in peace."

The unrealistic communique, which the subversives planned to release upon taking over the La Tablada regiment, adds: "Residents of the La Tablada area have already regained control of the rebel garrison." It then states that these actions were led by "the People's Resistance Front that was created on the spot."

In their proclamation, they subversives also add: "We took the arms of the rebels and burned their garrison. No more military murderers. During Holy Week and at Villa Martelli, we chanted: 'If they dare, we will burn their barracks.' The military did it again, and this (?time) we burned the La Tablada garrison."

The wording of the proclamation, which the rebels themselves never released, shows that the subversives expected to succeed in their attempt; in the following paragraph, it says: "In the history of our fatherland, our people have always undertaken heroic actions. Upon learning that the blackened faces had revolted, the people massively stormed the barracks. Women, youth, and men attacked the barracks with revolvers, shotguns, stones, and clubs. They dug trenches and hurled Molotov cocktails. In the face of so much heroism," the document says in a feverish tone, "some soldiers and noncommissioned officers joined the people and used their weapons to execute traitor officers."

The next paragraph adds without any hesitation that "a column of blackened faces left the barracks for Government House, but the armed people erected barricades and annihilated them."

In the final paragraph, the subversive proclamation says: "We urge everyone to converge on Plaza de Mayo to impose a government of the people, to surround barracks, to cut their water and power supply, to prevent the military murderers from escaping, to erect barricades, to control the streets and neighborhoods, and to seize power at every level, united against coups, and to achieve social justice and freedom."

Political Groups Condemn La Tablada Affair

PY2401131289 Buenos Aires DYN in Spanish 1150 GMT 24 Jan 89

[Text] Buenos Aires, 24 Jan (DYN)—Political parties of the right, center, and left, human-rights organizations, and businessmen's confederations today repudiated the attempted takeover of the La Tablada regiment, saying that "this is a new attack on the constitutional order and the Argentine people's wish to live in democracy."

Federico Zamora, president of the Buenos Aires Democratic Center Union, said that "it is obvious that there are sectors that have not yet understood that democracy is the best lifestyle for people and, to undermine it, these sectors resort to violence, causing needless bloodshed." He then noted that "however, they will not achieve their

objective, and more than ever it is necessary to bring against them the full force of the law, because they are nothing more than subversives."

Mendoza Governor Jose Bordon, Justicialist, said that "whatever the origin and motivations for this, I absolutely condemn it. I reiterate my conviction that only through national unity and respect for public and private freedoms will we find the way to overcome our society's problems."

Nestor Vicente, United Left presidential candidate, said that "a repudiable adventure like this can only favor coupist interests."

In turn, Patricio Echegaray, United Left deputy candidate and Communist Party leader, in repudiating the attack, said that "this serious situation results from a policy that, far from resolving the military problem, it incites the coupists and leads to an escalation of demands."

The Plaza de Mayo Mothers likewise repudiated "the criminal and mad action of those who murdered draftees and other people in La Tablada."

The Workers Party denounced the existence of "a political manipulation to pave the way for a reactionary blow against the masses and their freedom."

The Economic General Confederation has issued a communique expressing its "repudiation for any act of violence, noting that situations such as the one at the La Tablada regiment can only be understood by those who place their selfish personal interests before the wishes of the entire community, which is hoping to resolve difficulties in a climate of tranquillity."

The Humanist Party "deplores the killing of Argentines in a meaningless confrontation" and contends that "this is another event in the confrontation of the military and the government, and it is particularly serious because human lives have been lost." In its communique, the Humanist Party affirmed that what has happened is part of "a process of the government's surrender to backward military sectors which began with the demands for a 'full stop' and 'due obedience' laws, continued through the April 1986 and the Monte Caseros uprisings, and became more pronounced at the Villa Martelli rebellion."

Hector Polino, head of the Socialist Fraternity faction of the Democratic Socialist Party, repudiated "the use of violence as an elitist method to frustrate the efforts and struggle by broad popular sectors that want to solve their problems in justice, peace, and freedom."

The Socialist Unity Party, through Guillermo Estevez Boero, condemned the episode and deplored "the shedding of Argentine blood, especially that of youngsters fulfilling their military obligation." He added that "the use of force, regardless of its source, is repudiated by the large majority of the people."

The Intransigent Party also released a declaration stating that the attempted takeover "by a subversive group, with the resultant dead and wounded, warrants absolute repudiation because it attacks the Constitution and the law." The declaration then adds that the Intransigent Party "demands that the culprits be identified and severely punished under the Democracy Defense Law, and asks for more precise information from the government agencies."

The Intransigent Party then calls on "its leaders and members to remain in a state of alert to defend the democratic institutions whenever they are threatened."

Gassino on 'Legitimacy' of Antisubversive War

PY1901202789 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1542 GMT 19 Jan 89

[Text] Buenos Aires, 19 Jan (NA)—Army Chief of Staff General Francisco Gassino today emphasized the "legitimacy of the cause" that promoted the antisubversive war, recalling that "the arms of the fatherland did not fight alone" during the antiterrorist action.

Gassino also issued a fervent call for Argentines to "unity." This unity, he said, "may be as difficult as the antisubversive war" was.

"This path," he continued, "demands our permanent sacrifice and the resignation of our own ambitions, as a tribute to the shrine of national dignity."

Gassino's statements were read today during a ceremony marking the 15th anniversary of the attempt to seize the Azul military garrison. The ceremony was held in Buenos Aires and was attended by 5th Army Commander General Osvaldo Cordoba.

The message, which was released here, was read in all units nationwide.

In his message, Gassino also mentioned "those who do not share the spirit of this revitalized army," an obvious allusion to the cadres who might attempt a new uprising. He said that those officers and noncommissioned officers "will isolate themselves from the hard task that the institutions are performing in their effort to consolidate our Republic."

On 19 January 1974, a group made up some 100 men of the People's Revolutionary Army attempted to seize the 10th Armored Cavalry Regiment and the 1st Armored Artillery Group. Colonel Camilo Arturo Gay, his wife, and soldier Daniel Osvaldo Gonzales died in the attack. Lieutenant Jorge Ibarzabal was abducted, held prisoner, and killed 10 months later.

Gassino has once again vindicated the war against subversion by saying that "that war put the courage of our men to the test."

He added that the Army action "prevented terrorist Marxism from a huge success, a success that could have affected the stability of our institutions."

On recalling the Azul incident, Gassino said that "we proudly recall that all the institutions and sectors of the nation unanimously rejected it."

The day after the attack, then President Juan Domingo Peron, dressed in his general's uniform, over a radio and television network harshly attacked terrorism.

After recalling the defense of the Azul barracks, Gassino said that the attempt to seize the unit revealed "the dangerousness of the terrorist scourge that was seriously harming the nation."

He then ratified "our unswerving and deep love for our fatherland, and our unwavering faith in the justice of the cause" that promoted the war against subversion.

He added: "We do not want—and we should not want—any glories that will only serve to feed a discord that has claimed so much blood because of human mistakes. But we do demand glories for the nation and for the honor of all institutions, in our capacity as citizens, and for our Army, in our capacity as soldiers."

"There is a path," he continued, "toward unity which may be as difficult as the antisubversive war. This path calls for our a permanent sacrifice and the resignation of our own ambitions, as a tribute to the shrine of national dignity."

He then praised "accurate criticism and honest dissent," because they help find "clarification in the search for truth and justice."

"But we must not confuse the legitimate causes which, in defense of our fatherland, have inspired this veteran Army ever since its creation," Gen Gassino said.

"Today, as always, we humbly, but with well-earned pride, reassert that the struggle was not in vain. The Armed Forces did not act alone; they were supported by the citizenry's conscious and convinced solidarity," he stated.

He added: "This is a time of re-encounter, of unity, of healing wounds and overcoming false dichotomies, based on the solid principles and values of [words indistinct] of our fatherland and on what out [words indistinct] rule and direct.

"Within this framework and invocation, we must not hesitate to revitalize our Army with the immovable principles of a solid vocation for service, loyalty, discipline, esprit de corps, obedience, and professionalism, always within the framework of the military laws and rules," Gassino asserted.

"Those who spiritually do not maintain themselves within this revitalized Army will estrange themselves from our institution's hard task of continuing on the path to consolidate our Republic."

Netherlands Foreign Minister Arrives for Visit

PY1901121789 Buenos Aires DYN in Spanish 1148 GMT 19 Jan 89

[Text] Buenos Aires, 19 Jan (DYN)—Hans van den Broek, the foreign minister of the Netherlands, arrived today at Ezeiza International Airport. He will meet with top echelon Argentine authorities, seeking the whereabouts of two Nazi leaders that are said to be living in the country.

The Dutch official will remain in the country for 2 days and he will meet with Foreign Minister Dante Caputo and President Raul Alfonsin.

Minister Terragno Meets U.S. Energy Experts

PY1601212389 Buenos Aires Domestic Service in Spanish 1500 GMT 16 Jan 89

[Text] Public Works and Services Minister Rodolfo Terragno has returned from the United States, where he held meetings with top officials from the State Department, the Department of Energy, and the World Bank. He also met with experts from private companies.

All these meetings are related to the national energy crisis. As a result of these meetings, Argentina will receive $100 million for repairing, reorganizing, and repowering thermo-electric equipment, and for the future conclusion of the Piedra Buena plant in Bahia Blanca.

Moreover, U.S. experts, with experience in handling energy crises, will come to cooperate with Argentine technicians. The U.S. Government has an Under Secretariat of Energy Emergency which has accrued great experience in treating situations similar to that which Argentina is currently facing.

Investments in Nuclear Plants Termed 'Priority'

PY1801024189 Buenos Aires TELAM in Spanish 1745 GMT 18 Jan 89

[Text] Buenos Aires, 18 Jan (TELAM)—The executive branch has declared all CNEA contracts and investments in the national power grid to overcome the present situation "urgent and of priority." The decree in question refers to all CNEA efforts to maintain the Embalse nuclear plant in operation and to speed up the repairs at Atucha I power plant.

The decision was made formal by the signing of Decree 52 at Government House this afternoon. The decree also said that all CNEA imports for these two nuclear plants will be exempted from the requirements of Law 22763 if, at the time the goods to be imported are ready for shipping, no Argentine ships are available for transportation.

The decree is signed by President Raul Alfonsin, Economy Minister Juan Sourrouille, and Finance Secretary Mario Brodersohn.

The executive branch considered that the CNEA should also benefit from the exemptions established by Executive Decree 1927 of 29 December 1988, which established a series of exemptions and special proceedings to help implement specific programs to increase the production of electric energy, because the CNEA supplies energy through the Atucha I and Embalse nuclear plants.

Two Alleged Chilean Subversives Released

PY1901135689 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1146 GMT 19 Jan 89

[Excerpts] Buenos Aires, 19 Jan (NA)—Two of the five Chilean citizens arrested last year and accused of possessing war materiel and of being members of a criminal gang have been released after each of them paid a 50,000 austral bail. This money was obtained in a street collection held in this city.

Just after noon Hector Porta and Ivan Kraljevic were taken to the San Isidro Court to pay the bail. They were then taken to the Federal Police Headquarters; from there they were released. [passage omitted]

Then five Chileans were arrested on 17 July 1988 in the neighborhood of the Panamericana Highway, and due to jurisdictional reasons they were placed at the disposal of Federal Judge Alberto Daniel Piotti. [passage omitted]

* Alfonsin's Dec Address to Congress Assessed

33480075c Buenos Aires AMBITO FINANCIERO in Spanish 22 Dec 88 p 1

[Text] When the political opposition yesterday described the president's speech to the special session of Congress as a "short course on civics," perhaps it seized the label that the press rightfully should have given the address. There is no doubt about the democratic themes; they are undeniable. But what also came across was an Alfonsin who was speaking for his own future place in history, for his political viability after 1990. He is convinced that he will be remembered and will remain at the political forefront not because of his 6-year administration or because of any progress made by the nation (of which there has been none), but rather because he prosecuted military officers, and because his civilian government will hand the reins to another civilian government for the first time in decades. He will also be remembered, and rightfully so, as a democratic defender of democracy, to the extent that he even feels sick when democracy stumbles or is ambushed. But the citizenry has already been numbed by Raul Alfonsin's repeated speeches and the grandiloquence of formal events staged by the party and special sessions of Congress. Furthermore, they have not forgotten that Raul Alfonsin still has his prestige today and his future viability because of political deeds, after the failure of his attempts to establish the "dominant party," the reelection of the president, and the post of "prime minister" through a constitutional reform effort that has failed irretrievably.

When the president said in desperation, toward the end of his speech, "let it be known that when anyone tries to detract from the strong response that took place on this and other occasions (Rico, Seineldin), they damage not only the image of a government..." he revealed what he and the Radical Party are really worried about: that after this most recent military crisis and its denouement, the Radical movement will decline and lose votes. It has been known for a long time that this was the ruling party's great concern. That was why it called for an "extraordinary consensus among all political representations," something that the Peronists, who will respond today, do not appear willing to give, not with regard to the democratic part, but in terms of sharing the political decline.

Alfonsin made some strong assertions, such as, "What neither the government nor the people (he did not include Parliament) are willing to grant is a vindication of state terrorism," in other words, no amnesty. He called the military protagonists in the latest episode "mutineers" rather than rebels. He was too reticent in his criticism of the subversive actions of years past, with only one direct mention of victims of the security forces.

At the very beginning of his speech he provided another very clear definition of the current situation and the situation that will follow, as well as the one that the next government will have to endure when Raul Alfonsin leaves with his political glory, although with a reputation as a poor economic administrator. He said: "Now, in a way that strikes us as even more dangerous, the confusion has worsened." That is, a united Army in which the Ricos and the Seineldins are apparently no longer exceptional in their complaints. With regard to one branch, the Army, the legislative framework also seemed excessive, but it must be assumed that he was referring to the Armed Forces as a whole, something more comprehensive and more "dangerous." As for the rest, the concepts may constitute a civics lesson, but they are unobjectionable, despite the debatable allegories such as "cultural reform" or the fact that the president takes no personal responsibility in the paragraph about the country where he says that "growth was gradually replaced by shrinkage." Like that speech on Saturday 3 December, another stentorian address in which President Alfonsin ordered the "repression" to preserve his image, when he already knew that no one was going to repress and that there had been an "internal agreement in the Army," yesterday's

e nt appeared disproportionate in what it clarified. Its logical ideas about democracy and institutions were laudable, albeit well known, but it shed no new political light on how to overcome an ongoing military crisis, and was perhaps too speculative.

*** Impact of Gassino Leadership on Military Viewed**
33480075a Buenos Aires AMBITO FINANCIERO in Spanish 22 Dec 88 p 11

[Article by Carlos Tortora]

[Text] The surprise appointment of Francisco Gassino, director of Military Institutes, to succeed Jose Dante Caridi places the 85th class in charge of the Army. As a result, seven generals (Caridi, Abbate, Bianchi, Mabragana, Ferrucci, Mattiuzzi, and Dominguez) must retire.

Gassino will be the first intelligence official to be at the head of the Army. He also has less experience actually commanding troops because he has always been assigned to intelligence duties.

During his years as a senior officer, he only commanded one unit, the 12th Infantry Brigade in Misiones. This is one reason why Gassino is not very well known even within his own branch, the Infantry.

Another paradox is that Gassino will now succeed Caridi for the second time. The first time was in late 1985, when he replaced him as chief of intelligence.

Until Holy Week he was among the generals who were not challenged by the officers of intermediate ranks, but his subsequent performance as director of Military Institutes marked a shift toward more drastic positions.

Gassino became an advocate of stiffer disciplinary measures against the Rico group, and endorsed with his signature the measures placing on active duty and changing the assignments of various officers of the Infantry School who had been relieved of duty last year for their ties to the Dignidad operation.

More recently, Gassino voted against the promotion of Mohamed Ali Seineldin to the rank of general, which led to head-on confrontations when he gave a speech to officers 2 months later. The argument resulted in a scandal.

The latest military crisis found Gassino in the least comfortable position, because the rebellion began, once again, at the Infantry School and other neighboring institutions under his command.

Gassino's efforts to put together an improvised force to repress the rebellion with troops from the Cavalry and Artillery Schools were futile. Caridi, annoyed by Gassino's inability to suppress Seineldin, gave him a severe dressing down. As a result, the relationship between the two men deteriorated in the last few weeks.

Challenge

Another stumbling block for the future chief of staff was the attitude adopted by Colonel Jorge Tocalino, second in command at the Office of Military Institutes. While Gassino was trying to cordon off the Infantry School, his assistant was inside, already having become Seineldin's second in command.

According to yesterday's moves, the redistribution of power in the Army suggests that although the Infantry will once again be at the head of the force, it will lose control of the large units.

The Cavalry will reportedly be placed in charge of two corps: the 2nd Corps, under Isidro Caceres, and the 3rd, under his rival in the Cavalry, Osvaldo Cordoba.

Isidro Bonifacio Bonet of the Corps of Engineers, who like Cordoba was among the staunchest opponents of Rico and Seineldin, will reportedly take over the 4th Corps (La Pampa). Communications General Francisco Machinandiarena will assume command of the 5th Corps, considered to be the most important in military terms. Machinandiarena was the military judge appointed by Caridi at mid-year in the Holy Week and Monte Caseros trials. His appointment prompted a howl of protest among the defenders of the accused.

During Holy Week, Machinandiarena tried without avail to gather sufficient forces to attack Rico.

At the General Staff, the role of Valentin Venier (Cavalry), who will reportedly be named second in command, will be attenuated by the influence of Arturo Arrillaga, who is now in charge of the Artillery and will serve as inspector general.

Arrillaga, who was Caridi's veritable right hand, could now become the linchpin in the whole scheme, supported by General Martin Balza, who would go to the Office of Scheduling, and Colonel Horacio Laurenti, who would remain in a high position at the General Staff.

This redistribution of command, if these reports prove true, would significantly narrow the options for Caceres, who emerged from Villa Martelli as the strong man of the Army.

*** Military Leaders, Rebels To Exercise Caution**
33480075b Buenos Aires AMBITO FINANCIERO in Spanish 23 Dec 88 p 14

[Article by Carlos Tortora]

[Text] The various sectors involved in the military crisis agree that both the rebels and the new leadership, headed by General Francisco Gassino, who will assume command next Monday, will call a truce for reasons that include more than just the end-of-year festivities.

The changes in the military assignments of just about every high-ranking officer as a result of the latest crisis will require the new leadership to spend several weeks "adjusting positions" and making sure the stances of the new commanders are internally consistent. Only then will it be able to determine what policy to pursue with the cadres committed to Mohamed Ali Seineldin and Aldo Rico.

Among the rebels there is also an agreement to try to avoid "spontaneous reactions" in response to the sanctions that the General Staff will eventually impose. There is also a cautious attitude with respect to the steps to be taken by the government, in view of Alfonsin's speech to Congress. Nevertheless, the psychological war will go on in spite of the political truce.

Yesterday some documents related to one of the first challenges to Gassino were making the rounds in military circles.

They concern an agreement signed on 21 January 1987 between the Salta Loan and Social Assistance Bank and the 2nd Office of Intelligence of the Army, which at that time was headed by Gassino.

The pact, contained in Resolution 132/87/A of the Loan Bank, was executed by the bank's president, Luis Gerardo Marocco, and the general administrator of the Army Intelligence Office's Production Department, Colonel Pedro Miguel Colabella.

Commitment

In this pact, the Intelligence Office agreed to lease to the bank, under direct contract, "300 electronic computer systems with the corresponding electromechanical and/or electronic terminals, with automatic processors for video games."

In its prior Resolution 86/87 of 13 January 1987, the bank's Board of Directors states that "for the purpose of obtaining more funding for the institution for meeting its objectives, the feasibility of incorporating video arcades into the bank's operations was studied."

Among the obligations assumed by the Office of Intelligence was "the maintenance and repair of the systems."

Later on the agreement states that after taxes and other duties are deducted from the proceeds of the video arcades, "the cash so obtained will be distributed as follows: 25 percent for the bank and the remaining 75 percent for the Office of Intelligence."

* Menem on Army Rebellion, Other Issues

33480075d Buenos Aires AMBITO FINANCIERO in Spanish 22 Dec 88 pp 16, 64

[Interview with Carlos Saul Menem, Justicialist presidential candidate; date and place not given]

[Text] (On Bernardo Neustadt's program, Justicialist candidate Carlos Menem expressed clearer ideas than on other occasions. This is one indication that the election campaign is heating up, forcing the candidates to give more specific statements. This is good for the population.)

[AMBITO FINANCIERO] Was there an agreement with the military or not?

[Menem] Yes, there was.

[AMBITO FINANCIERO] Prove it.

[Menem] And, well, what is happening now. The demands of the military sector included the pay raise; respect for the institution of the armed forces, that is, doing away with certain affronts and ongoing attacks; and the vindication of the struggle against the subversives, which Jaunarena did. But in addition, if an army commander is going to fight with a rebel sector, and there is no battle, they reach an understanding, that commander's superior is the president of the nation, and he has obviously given the go-ahead, he has made it possible to reach that agreement to end that conflict.

[AMBITO FINANCIERO] Angeloz says that if he finds out there was an agreement, he will withdraw from the race.

[Menem] Well, it has already been proven, but I don't want Dr Angeloz to withdraw from the race.

[AMBITO FINANCIERO] Do you think the Radical government has solutions for the remainder of its term?

[Menem] No solution to this crisis is in sight, and no matter how much Dr Angeloz argues that it can be overcome with ability and courage, I say we need more than just ability and courage. Moreover, by saying that he's implying that this government doesn't have ability or courage.

[AMBITO FINANCIERO] What would you do with the military officers who had nothing to do with the repression? How far do you think the investigation should continue? Isn't it enough with those who are already in jail?

[Menem] I think that this situation is one of the causes of this kind of rebellion, because there is a rebellion at the heart of the armed forces. But I am also persuaded, convinced that it is proper and normal for the justice system to carry out its function to the utmost, unless the national executive branch or one house of Congress,

either the Senate or the Chamber of Deputies, proposes an amnesty, or unless the executive branch uses the pardon mechanism to free some of those who have been convicted. I don't think the latter solution would be appropriate at this stage in the process. Cardinal Primatesta speaks of reconciliation, others speak of pacification, but the important thing here is that the institution of the armed forces be respected and not subjected to this constant jerking around as if it were the cause of all evils.

[AMBITO FINANCIERO] Do you believe that a general goes to bed at night and says, "Tomorrow I will overthrow Peron or Illia"? Or do you think that a large part of society supported it?

[Menem] All coups, all these mutinies or failures or uprisings or whatever you want to call them are perfectly orchestrated and have the support of a very large sector of the civilian population. A general who now holds a high-ranking position told me a month ago: "They are already banging on our doors to get us to stage a coup."

[AMBITO FINANCIERO] Do you want to be the Felipe Gonzalez of . . .?

[Menem] No, I didn't say I wanted to be Felipe Gonzalez, I only want to be Carlos Menem. But I did say that I shared some opinions with Felipe Gonzalez. When he took office, he soon realized that the way he was running the Spanish Government, he was not going to achieve the desired results. He arrived at the conclusion that he had been elected to govern 40 or 50 million Spaniards, not the 150,000 members of his own party. I am saying the same thing: If God and the people decide that I should control the destiny of the Republic, it is very clear to me that I am not going to govern only for the 40 or 42 percent that are Justicialists. I have to govern for all Argentines.

[AMBITO FINANCIERO] Do you believe that the economic truth really lies with Alemann or with Alsogaray or with...?

[Menem] But haven't we called upon Julio Ramos, for example, and on Cavallo and Prigerio, who are outside the party? Well, we have also called on people in the Christian Democratic Party, and if it is necessary to turn to economists from other parties, there's no problem with that. What we need is brainpower so that we can get Argentina out of this situation. When I say that we will make it possible for foreign capital to be on an equal footing with national capital, we are already changing our perception of things.

[AMBITO FINANCIERO] Do you like competition in the area of state enterprises? For example, would it bother you to have Alitalia come here?

[Menem] I am going to do whatever the people decide.

[AMBITO FINANCIERO] How will they do it?

[Menem] What is Parliament for? Or are deputies and senators paid a salary just to decorate the place? They are the representatives of the people; it is they who must decide. Do you know how sovereignty is exercised? By producing. Sovereignty is producing, sovereignty is working, sovereignty is industrializing.

[AMBITO FINANCIERO] Suppose you win the election and you have to share power with Dr Alfonsin from May to December. How will you two get through that period?

[Menem] I think we will have to agree on some kind of control over everything that is done from 14 May onward. This crisis is truly profound; the domestic debt is attaining extreme proportions...

[AMBITO FINANCIERO] Don't rain on my party.

[Menem] Well, that's the way it is.

[AMBITO FINANCIERO] If Angeloz wins, he won't have any problems with the president.

[Menem] He won't have problems, but we Argentines will have problems because the same policy, the same leadership, will continue. And with all due respect—I reiterate once again my friendship with Dr Angeloz—I don't know whether he will directly lead the nation, assuming the remote possibility that he wins. Perhaps Dr Alfonsin will continue leading, or the Coordinating Committee, or some other strong sector of the Radical Party.

[AMBITO FINANCIERO] The president said when he went to La Rioja that you were the best governor, and now he says you're the worst.

[Menem] Well, campaign politics come into play here.

* Montoneros Emerging Fronts Investigated

33480079c Buenos Aires LA PRENSA in Spanish 18 Dec 88 p 7

[Commentary by Juan Maria Coria: "Montoneros: Parallel Brigades That Would Operate on Two Fronts"]

[Text] According to precise reports from the finest sources, an extremely delicate investigation has been set in motion to ascertain the scope and strength of an emerging combative sector of the political fringe whose first public appearances were detected outside the Villa Martelli barracks and in the holdup of a bank in the western section of this capital.

According to the informants who provided data, so-called "rank and file Peronism" and another faction that is known as "Peronism to victory" joined together at the Peronist convention to form a combative nucleus that they identify as a "shirtless Peronist movement," which is nothing more than an apparent "Montoneros" splinter group.

The "Montoneros" who follow Mario Firmenich have fallen back as some sectors, oddly enough, are pursuing a suit to obtain amnesty for imprisoned military personnel.

Firmenich instructed his lieutenant and private secretary Mario Montoto to convey the order to "lay down weapons" and to go along with and influence the national Justicialist movement in an effort to achieve a broad and generous amnesty, as provided for in the constitution, that would benefit not only the convicted military officers with a fixed sentence but also the chief of the "Montoneros."

Based on what is known so far, the activists who follow the chief of the "Montoneros" serving time in Devoto were not actively involved at Villa Martelli or in the bloody bank holdup.

A group of "observers" was present there, Villa Martelli that is, analyzing the movements and skirmishes of the most virulent elements of the left, which went into action without warning and some of whose activists were carrying civilian weapons. An investigation is now under way to determine whether a brigade of the "shirtless ones" also saw action as a sort of baptism of fire by provoking the military into reacting against civilians.

This new movement will reportedly be receiving instructions from overseas. Vaca Narvaja, Perdia and perhaps Abal Medina will reportedly be the chiefs of the command, and if so, the decision to open two fronts has presumably been made.

One would be a violent front that would launch multiple attacks and assaults and be organized from overseas to avoid the arrest or capture of the main leaders. The other, run by Firmenich from jail and by Unamuno from Revolutionary Peronism, would seek to ally with anyone in favor of a broad and generous amnesty.

The common thread between the "Montonero" leaders in exile and Firmenich is difficult to place. Naturally, SIDE [Secretariat for State Intelligence] has been as naive as Adam was in the Garden of Eden; it did not even realize that Seineldin had left Panama, even though it has agents following him everywhere.

We could recall that when things came to a head the "loyal" and the "rebel" chiefs of the most recent military uprising thought over who would benefit from a confrontation between them. They no doubt noted the disenchantment that the order to cease fire produced on both extremes of the political spectrum, obviously for different reasons.

We must also bear in mind that the "revolutionary Peronist movement" is strongest in the province of Buenos Aires and that although they are trying at all times to maintain good relations with the official leadership of Justicialism by giving signs of overt confidence in and ongoing support for Dr Carlos Menem, they fear being betrayed by the party's main leaders. In this regard, there have already been signs of rejection, which did not, however, affect this support from the "Montonero" political branch.

As far as the aspirations of the military are concerned, those who are analyzing the issues that we are discussing in this report have noted that what matters most to the military is not the officers who have been convicted but the status of around 400 officers with trials pending, who are in attenuated confinement [prision atenuada], that is to say, they are not under arrest, much less being held in solitary confinement.

In this connection, again according to the assessment we heard, they are not discussing a way to relieve this permanent tension and ongoing harassment, nor are they insisting on amnesty.

A great deal of fuss was made recently about a Supreme Court ruling that would spell out the procedural mechanisms to be followed in the trials of military personnel.

A bill on the "per saltum" [passing over certain proceedings] has been held up in Congress, and one of President Alfonsin's closest colleagues said that for now no one would be pushing it along. This is not regarded as the right time to do so, much less to put pressure on the courts.

Finally, the case of the bank holdup was mentioned to us. The investigation will reportedly focus on a "brigade" of the far left with some connections with international terrorism.

* Autolatina Managerial Appointments Announced

33480079b Buenos Aires LA PRENSA in Spanish
21 Dec 88 p 21

[Text] Mr. J.D. Donaldson, who recently took over as superintendent director of Autolatina, with responsibility for Brazil and Argentina, replacing Mr Wayne Brooker, has announced that now that the analysis of the company's operational and organizational systems has been completed, a decision has been made to make some changes in the management of Autolatina Argentina.

In light of Mr Jose Bisogno's desire to move up his return to his country, Venezuela, for personal and professional reasons, the company had no choice but to accept his resignation as of 1 March of next year. Autolatina deeply regrets losing a man who has helped so much to consolidate the company during its first year in business.

Autolatina has chosen Mr Thomas G. Williamson, a Ford Motor Company executive with long international experience, to replace Mr Bisogno.

Greater Efficiency

In a bid for greater efficiency to cope with the difficult situation in which the Argentine automobile market finds itself, a decision has been made to make some organizational changes at the highest levels of the company; they will take effect as of 1 January 1989.

Mr Helmut Arndt, who was serving as director of finance, will have to return to Germany for health reasons. As a result, Mr Carl Schwind will stay on as comptroller of Autolatina Argentina and will report directly to the president.

Mr Luis Melnik, the current sales and marketing manager for VW products, has been appointed Autolatina's sales manager and will be responsible for the sale of Volkswagen and Ford products.

Sales and Marketing

Mr Rodolfo A. Cereti, the current sales and marketing manager for Ford products, has been appointed marketing manager for Autolatina and will be in charge of the market-analysis, advertising, promotion and savings-plans operations of the two makes of car that the company manufactures.

Mr Pedro W. Muller has been appointed director of new studies and manufacturing projects.

The rest of the company's top echelon will remain as it was, with Mr Jorge E. Olivieri as director of external relations and Mr Christian von Gersdorff as director of human resources.

Bolivia

Politicians Criticize U.S. Military Presence

PY1901164389 La Paz PRESENCIA in Spanish 10 Jan 89 p 7

[Excerpts] Bolivia Libre Movement Deputy Alfonso Ferrufino has referred to the presence of U.S. troops in Bolivia, saying that his party, and the leftist parties, have permanently opposed U.S. military presence because of political and constitutional reasons.

Ferrufino said that the troops are "part of a strategy that has been clearly outlined in several documents which, although initially classified, have been finally made public." [passage omitted]

Christian Democratic Party Deputy Benjamin Miguel Harb has said that the presence of any kind of troops, either armed, technical, auxiliary, or for the promotion of development, calls for Congressional approval. [passage omitted]

Socialist Party One leader Roger Cortez said that the presence of U.S. troops shows a strong sign of violence. "Only on one occasion did Congress dare to explicitly authorize U.S. troop presence in a formal and apparently legal manner. On all other occasions the troops have arrived without authorization," he noted. [passage omitted]

Armed Forces To Protect U.S. Troops, Equipment

PY1901163389 La Paz PRESENCIA in Spanish 13 Jan 89 p 7

[Text] Aeronautics Minister General Jaime Zegada reported yesterday that the Bolivian Armed Forces will be in charge of the security of the 300 troops and equipement of the U.S. Army that will arrive by the end of April.

He explained that an Air Force group and a number of Military Police soldiers "will provide the necessary security" to the U.S. troops.

He added: "I want to add that the U.S. troops are not coming with weapons but will bring equipment, such as tractors and the appropriate tools, to level the Pati Pati Hill near the city of Potosi.

He reiterated that those coming are technicians, engineers, administrative and health personnel.

Regarding the stay of the U.S. troops in the country, Gen Zegada stated that they will remain for 3 months, but that a request for another month has been submitted, to allow the arrival and departure of the troops.

He also reported that two cooperation programs have been firmed up with the Italian Government. He explained that one refers to the provision of ground-to-air communications equipment, and the other refers to the supply of radar for the control of airspace and drug trafficking.

COB: 'All-out Struggle' Against Government

PY1801174689 Madrid EFE in Spanish 0405 GMT 18 Jan 89

[Text] La Paz, 17 Jan (EFE)—The Bolivian Labor Central (COB) today issued a call to some 60,000 demonstrators, advocating an "all-out struggle" against the policy of the government of Victor Paz Estenssoro and in support of the socioeconomic demands posed by the workers of this [words indistinct].

During two massive rallies at San Francisco Square in La Paz, COB Executive Secretary Simon Reyes condemned the effects of the government's "new economic model," which he said has resulted in more than 400,000 workers losing their jobs and which has promoted misery, starvation, and crime.

According to observers, some 60,000 workers and peasants (?gathered) at the two meetings sponsored by the COB to demand that the Executive Branch give a satisfactory answer to the "national list of petitions" which the COB—Bolivia's major labor organization—has submitted to the authorities.

Reyes condemned the official salary policy and charged that the government [words indistinct] to sell several state-run companies to the private sector.

He added that at the next general election on 7 May, the Bolivian people will reject the economic policy of the government coalition, which is made up of the Paz Estenssoro-led Nationalist Revolutionary Movement and the Nationalist Democratic Action, which is led by General Hugo Banzer.

Among other topics, the COB list demands that salaries be increased, that state-run companies not be sold, that the budget draft law for 1989 be reconsidered, and that [words indistinct] funds for health and education.

Official Denies Report on DEA Activities

PY1801164889 Madrid EFE in Spanish 0509 GMT 18 Jan 89

[Text] La Paz, 17 Jan (EFE)—Social Defense Under Secretary Jorge Alderete today denied that DEA agents are directly engaged in the fight against cocaine traffickers in Bolivia.

Alderete also denied a report published by THE WASHINGTON POST on 17 January saying that DEA members are in fact directing the Bolivian policemen—known as "the Leopards"--who are in charge of the fight against drug trafficking.

Alderete said that the DEA is "an agency that provides technical cooperation in areas of investigation and intelligence, and which is very useful in Bolivia."

The Bolivian official said that the teams sent by the DEA to Bolivia have never numbered more than "40 men and technicians," and these are replaced by a similar number of personnel every 4 months.

U.S. diplomatic sources in La Paz have said that DEA agents are only providing "advisory" support.

THE WASHINGTON POST said that the number of U.S. agents in Bolivia is kept secret and that those agents "act as de facto commanders of the Leopards; blowing up airstrips, raiding laboratories in the jungle, burning factories in rural areas, and searching for local markets."

Coca Producers Declare 'General Mobilization'

PY1601131489 Madrid EFE in Spanish 2241 GMT 15 Jan 89

[Text] La Paz, 15 Jan (EFE)—The Bolivian coca producers today declared a "general mobilization" against the government policy on coca crops and in support of the hunger strike that peasant leaders have been staging since 11 January.

The decision was made at the meeting of the "National Coca Commission" in Cochabamba. The commission is made up of the Federation of Settlers of Semitropical Zones, the Single Union Confederation of Bolivian peasant workers, and the COB.

A document published today by that commission states that the organizations that signed the declaration will talk with the government of President Victor Paz Estenssoro in an effort to change the "coca eradication policy."

It also proposes modifying the law on coca leaves and controlled substances—approved in July 1988—in the spirit of the resolutions of the international conference on drug trafficking held in Vienna in December 1988, which approved the protection of "traditional crops."

The document also supports the struggle for the "single national list of petitions" presented by the COB to the Executive Branch. This struggle will begin with a rally of workers and peasants in La Paz on 17 January.

The coca producers had previously rejected the law on controlled substances because, they claim, they were not consulted on it. The government, however, claims that it is solely responsible for the preparation of the rules.

Government Seeks $220 Million Credit From USSR

PY1701152089 Madrid EFE in Spanish 2223 GMT 14 Jan 89

[Text] La Paz, 14 Jan (EFE)—It was officially announced today that the Bolivian Government has begun talks here with USSR representatives, seeking to obtain a $220-million credit for several development projects in the eastern part of the country.

After a recent meeting with the Bolivian Planning Minister, Soviet ambassador to La Paz Takhir Durdyyev said that the first negotiation for that credit was positive, and that his government intends to grant economic assistance to Bolivia.

Durdyyev said that the amount of the credit has not yet been established, but that it will be established during the next meetings. He added that his country is in a position to lend $220 million, the same amount that was granted to Bolivia in 1986.

The ambassador added that through a scientific and cultural cooperation program, signed with the Planning Ministry, the USSR will grant this year 115 scholarships to Bolivian students to study at Soviet Higher Education Centers.

Argentina Makes $12-Million Gas Payment

PY2001012789 Madrid EFE in Spanish 1733 GMT 19 Jan 89

[Text] La Paz, 19 Jan (EFE)—Bolivian Central Bank President Jacques Trigo said today that the Argentine Government has made a $12-million payment to Bolivia as a second installment on its outstanding debt for gas purchased in 1988.

Trigo outlined the Argentine Government's efforts to fulfill its obligations with Bolivia despite that country's serious economic crisis.

The deposit of Argentina's $12-million payment in a Bolivian account in New York on 14 January will help cover the Bolivian debt with the bank, dating from September 1988. The problem with the bank has been hindering Bolivian Government economic plans, Trigo said.

According to Trigo, the Argentine delay in paying for gas purchased during 1988 was the reason Bolivia owed the bank $55 million. Trigo added, however, that the country has now paid $32 million of this debt.

Trigo added that the accrued Argentine debt for gas purchased from Bolivia in 1986 and 1987 was $149 million and that the government is negotiating with Buenos Aires to receive regular installments on this debt.

* Mining Minister on 1989 Strategy, 1988 Exports

* No Denationalization

33480077a Cochabamba LOS TIEMPOS in Spanish 16 Dec 88 p B-1

[Text] La Paz, 15 December (ANF)—"The new mining policy that the government will apply beginning next year will keep state ownership intact," said Minister of Mining and Metallurgy Jaime Villalobos, once again denying rumors about the denationalization of the mines.

The government official made these comments in response to the misinterpretation of the government's efforts to attract risk capital and new technology for the reactivation of the mines that belong to the Mining Corporation of Bolivia (COMIBOL).

"The attraction of risk capital, technology, and entrepreneurial capacity to the sector by forming mixed partnerships with the state enterprise is another mining strategy. It does not seek to destroy COMIBOL or to denationalize it. On the contrary, it is aimed at maintaining state ownership of that enterprise," said the minister.

He reiterated that the system of mixed partnerships or "joint ventures" is used successfully in the Soviet Union, Yugoslavia, Poland, Portugal, and Chile, and that this same opportunity is available to this country, which has great mineral potential ready to be developed.

He also stated that mining requires the intensive use of capital investments, technology, and administrative capacity, in the face of the disastrous bureaucracy and mediocrity that have pervaded the entire state mining apparatus and have caused so much damage to the country.

Later on he noted that the country needs major investments to further the development of the state mining sector, and that for this reason the government has turned to the World Bank and other financing institutions to obtain loans that are readily available to nations in crisis such as Bolivia.

In another part of his statements, Minister Villalobos indicated that the diversification of mining production is another important point of the new mining strategy within the government's current economic policy. The ultimate goal is to eliminate the country's dependence on a single product, as was previously the case with tin.

In the opinion of this official, the tin era is over, although this mineral is considered a principal export product, accounting for 60 to 70 percent of traditional exports.

Nevertheless, he explained that Bolivia will continue producing tin, but at the same time, priority will be given to the mining of minerals such as lead, silver, gold, and zinc. There are large reserves of these minerals in the country's deposits, yielding favorable prospects.

"We have evaporite deposits; we have interesting opportunities in Santa Cruz, in Rincon del Tigre, where there are minerals of the platinoid group. We have major gold deposits that require only the infusion of capital for their exploitation, with the consequent foreign exchange earnings for the country," concluded the mining minister.

* More Mineral Exports

33480077a La Paz EL DIARIO in Spanish 27 Dec 88 p 1

[Text] Mineral exports rose considerably between January and September of this year, compared to the same period of 1987. This resulted in earnings of more than $60 million for the General Treasury of the Nation.

According to statistical reports provided at the Mining Ministry, copper, gold, and zinc exceeded export projections, followed by almost all other metals. The only exceptions were antimony and sulfur, whose sales declined.

Between January and September 1988, the value of mineral exports as a whole amounted to $199,985,583, compared to the $138,448,498 recorded during the same period of the previous year. This represents an increase of $61,537,085, or 44.45 percent.

The volume of tin concentrate and tin ore exported as of September this year was 7,982 metric tons, for earnings of $56,033,792, compared to the $47,638,137 earned on 7,035 tons during the previous period.

A total of 42,223 tons of zinc, valued at $43,593,837, was exported in 1988, contrasted to the previous total of 28,030 tons with gross revenues of $23 million.

Gold exports (native and in bars) amounted to 3,168,756 fine grains, generating $45,436,996 for the National Treasury, compared to the 1,590,593 fine grains that brought revenues of over $22 million the previous year.

Copper exports in 1987 reached 5,250 fine kilos, and climbed to 107,187 fine kilos this year. Revenues in 1987 totaled $8,913 in 1987 and $130,299 in this latest period.

Of the mining groups operating in the country, the Mining Corporation of Bolivia exported primarily lead, zinc, silver, tungsten, gold bars, and iron, bringing in over $22 million, more than $14 million above last year's total.

The medium-scale mining sector exported tin, lead, zinc, tungsten, silver, antimony, and gold concentrate, earning in excess of $80 million, compared to sales of $64.5 million in 1987.

Small-scale miners and cooperatives, through the Mining Bank, managed to export tin, lead, tungsten, silver, antimony, and gold bars, for total revenues of $29 million. These sectors had earned $23.3 million in 1987.

Various other mining groups generated more than $35 million with exports of different traditional minerals, in addition to other such as bismuth, beryllium, gold in pyrites, barytine, arsenic acid, marble, and ulexite.

Finally, foundries accounted for $32,752,732 in income the first 9 months of this year, compared to $12.1 million for that period in 1987.

* YPFB Budget Provides for Expanded Drilling

23480077b La Paz EL DIARIO in Spanish 25 Dec 88 p 5

[Text] The investment budget of the Bolivian Government Oil Deposits (YPFB) for 1989 calls for drilling a larger number of oil wells, reported General Manager Jorge Flores.

He indicated that during this period approximately 80,000 linear meters will be drilled with satisfactory results. Based on that figure, by the next period a higher number of wells are expected to be drilled for the purpose of boosting the volume of both liquid and gas hydrocarbon reserves.

He recalled that the drilling program, thanks to its extension, has been growing over the last 8 years. In 1987, for example, a total of 65,000 meters was drilled, while in 1986 that total had been just over 55,000 linear meters.

The official also emphasized that in the next period, a greater impetus will be given to prospecting activities. In this connection, he cited the example of the work that will begin in the altiplano region around February, after the signing of the contracts for the aerial photogrammetry studies. Later on, similar studies will be conducted in the plains of Beni, Pando, and Santa Cruz.

According to YPFB reports, prospecting and drilling efforts must be stepped up, primarily with regard to liquid hydrocarbons, to keep up with growing demand on the domestic market and with opportunities to export to neighboring countries.

Experts at the World Bank recommend that a minimum of 40 exploratory wells be drilled each year in Bolivia. If fewer wells are drilled, there is a risk that hydrocarbon reserves will be exhausted and that demand will increase on the domestic market. Moreover, exports of hydrocarbons or derivatives will be placed at risk.

These recommendations were taken into consideration by YPFB executives during this period. As a result, the investment budget was expanded to provide for new phases of exploration in various regions throughout the nation.

Brazil

Official Denies Plan for Debt Moratorium

PY2001022289 Madrid EFE in Spanish 2200 GMT 19 Jan 89

[Text] Brasilia, 19 Jan (EFE)—Sergio Amaral, the main Brazilian foreign debt negotiator, today denied that his country is preparing to declare a moratorium on payments to its creditors.

Amaral, chief Finance Ministry adviser for international affairs, met today in his office with foreign reporters in Brasilia to put to rest reports published in the Brazilian press that Brazil is planning to suspend payments to its creditors.

"I want to make clear that the word moratorium was not used in the talks with the press" Amaral told correspondents of international agencies in Brasilia.

He added: "We did say that we are expecting to get money from different sources and that we may have problems this year if we do not get it."

Amaral emphasized that if no resources are available from international agencies and banks, and if exports decrease and imports increase, "there will be problems in making payments."

He said that work is being conducted with the assumption that an agreement will be reached with the World Bank because Brazilian officials believe that "the solution can be found through negotiation."

He said that Brazil has not received approximately $1.1 billion in loans from international private banks, the World Bank, and the Nakasone Fund of Japan.

Regarding the fact that the current level of foreign reserves after exports reached $34 billion in 1988, Sergio Amaral estimated that current reserves total over $5 billion and that there is no concern in this area.

He said: "The level of our reserves is enough and satisfactory. We only want to ensure the conditions abroad for the success of the economic program."

Regarding the new economic program, President Jose Sarney expressed his conviction that the banks would support with new resources the economic plan announced on 15 January.

Two days after the announcement of the plan, which includes price and salary freezes and drastic fiscal measures, Brazilian officials postponed a $500-million foreign debt interest payment.

Amaral said that the postponement and the prospects of problems if the expected money resources were not available created "some concern" in the press.

Regarding the Brazilian foreign debt, which totals some $115 billion, Amaral today reiterated that the payment postponement was made for technical reasons and that it will be made on 25 January 1989.

Ulysses Guimaraes on UN Debt Meetings

PY1701141789 Sao Paulo FOLHA DE S.AO PAULO in Portuguese 14 Jan 89 p A-6

[Interview with Deputy Ulysses Guimaraes, president of the PMDB and of the Chamber of Deputies, in Paris, by FOLHA journalist Caio Tulio Costa—date not given]

[Excerpts] [Passage omitted] [Costa] How was your visit to New York?

[Guimaraes] The most meaningful contact I made was with UN Secretary General Javier Perez de Cuellar, who invited me to a lunch with all the ambassadors to the United Nations. The most interesting topic discussed during the lunch was the foreign debt.

Through a resolution approved by the UN plenum, Perez de Cuellar was requested to coordinate contacts with the creditor banks and the debtor countries regarding the foreign debt. I told Perez de Cuellar that the Brazilian situation is similar to that of all indebted Third World countries. [passage omitted]

Salaries and real purchasing power are being permanently reduced. Our hope is that at least some industrialized countries realize that. President Mitterrand has already proposed at the United Nations a bonus mechanism for the debts.

[Costa] What do you believe must be done?

[Guimaraes] This change in the attitude of the debtor countries is already an achievement. Gorbachev delivered a speech at the United Nations clearly supporting the non-payment of the debt. George Bush also said he intends to treat the debt politically, and we hope he really does it. We are convinced that the issue must be treated politically instead of the usual banking or trade treatment. Yesterday, I discussed this aspect of the debt treatment with French Prime Minister Michel Rocard. We know that President Mitterrand intends to meet with the debtor countries—although not all of them—simultaneous to the Seven Most Industrialized Countries Meeting to be held in July, during the week in which the French Revolution Bicentennial will be celebrated. [passage omitted]

[Costa] How was your talk with Prime Minister Rocard? Is he interested in this debtors' meeting to be held in Paris?

[Guimaraes] We talked mainly on the debt problem. Rocard said he favors a meeting between the industrialized and the debtor countries, however, he said that this meeting must have some guidelines and some assurance that it will yield some results, otherwise it will be very frustrating.

[Costa] And what did you tell him?

[Guimaraes] I told him this is a good opportunity because the problem exists, and because there is a general consensus that the problem must be solved. It affects the creditors because they want to get paid, but the debtors are not in a position to pay.

[Costa] Does President Sarney agree to this meeting?

[Guimaraes] There is no doubt about that, although I have not received any explicit word from him. [passage omitted]

Summer Plan Main Measures Reported

PY1701174189 Sao Paulo O ESTADO DE S.AO PAULO in Portuguese 16 Jan 89 p 3

[Excerpts] Here are the main measures under the Summer Plan unveiled by the government yesterday:

Public deficit control. The government will spend the resources that are collected, but will freeze 10 percent of resources earmarked for operation of the administrative

machinery. No service may be contracted without the previous authorization of the National Treasury Secretariat. The government will not borrow new money from the capital market.

OTN (National Treasury Bond) extinction. The government has done away with the OTN, which was the treasury's main instrument for raising money. It will no longer be the main value for indexation of contracts. The government wants to encourage free negotiation of contract readjustments.

Price freeze. For an indefinite period, the government has frozen the prices of all products and services at their sale price on 14 January. Anyone who marked up his prices yesterday will have to reconsider or face sanctions by the Federal Revenues Secretariat and the Federal Police.

Price Lists. For each sale, the government has established a price list of nearly 1,170 food, personal care, and house cleaning products.

Salary policy. The URP (price reference unit) will be applied to salaries for the last time in January. With URP elimination, there will be free negotiations between employers and employees. The February salaries will be calculated on the basis of the last 12 months' salaries expressed in OTN values. Any salary that turns out to be below the nationwide real average will be readjusted depending on the salary negotiations for the trade category. Monthly salary readjustments will no longer be obligatory.

Exchange rate. A new cruzado is equivalent to 1 dollar and is equivalent to 1,000 old cruzados. As a preventive measure, the government has decided to channel all foreign exchange operations through the Central Bank in order to prevent the remittance of dollars abroad. The dollar exchange rate was devalued by 16.3051 percent.

Foreign debt. The government is studying ways to reduce the principal and interest service on the $115-billion foreign debt. At the same time, it is negotiating an acceptable solution with its international creditors.

Savings bonds. In January savings will earn the IPC [Consumer Price Index] of December plus 0.5 percent. In February, it will earn the interest rate paid at the overnight market. In March and April, it will draw the interest rate on the overnight market, or the IPC plus 0.5 percent—whichever is higher. Deposits into old accounts are banned until the end of January, and the savings banks opened during this period will be closed/closed for 6 months so that they will not lose earnings. As of May, earnings will be equal to the IPC plus 0.5 percent. [passage omitted]

Public servant salary. With the 66-percent readjustment for 1.2 million military and civil servants of the federal government, the salary aggregate cannot surpass 65 percent of the liquid revenues of the federal government. Salaries will be paid between the 5 and 10 of the following month, no longer between the 20 and 25 of the month for which they were being paid.

New employee salary. An employee hired by a private enterprise after January will earn the same salary as a colleague doing the same job.

Ban on salary readjustments. Regional Labor Courts and Superior Labor Court are forbidden to grant salary readjustments based on price indexes calculated prior to February 1989.

Inflation factor. All obligations, subject to monetary corrections or preestablished inflation indexes, that were contracted between 1 January 1988 and 14 January 1989 will be daily deflated by a factor of 1.0006349. [passage omitted]

'Verão' Enforcement Announced

PY1801112389 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 18 Jan 89

[Text] Finance Minister Maílson da Nóbrega has said that the Summer Plan is irreversible and that no exceptions will be made to any sector. He admitted that some sectors have tried to exert pressure over the enforcement of the plan, but he stressed that the government will not yield to pressure.

[Nóbrega recording] Companies, the financial sector, and the labor sector have tried to exert pressure. Yet we are convinced that no program of this type, which must be implemented because of the big imbalance [?in which all records have been surpassed, particularly the levels of inflation], [nóbrega thought] is a program that distributes the losses among several sectors of society. These sectors must try to prevent these losses, but we will have to distribute [words unknown] we will have to firmly implement the program, because if we give in at the very beginning, the program may lose credibility. If we make concessions to any sector, we may bring back the imbalance and the inflationary spiral.

The government, the president, and the ministers are determined to totally enforce the rules of the program, especially concerning the price freeze and the implementation of the budget. [end recording]

Concerning the foreign debt, the minister denied that the government will suspend the payment of interest. He admitted, however, that the payment of interest in January will be delayed because of operational problems at the Central Bank.

Sarney Installs New Justice Minister

PY2001022689 Brasilia Domestic Service in Portuguese 2100 GMT 19 Jan 89

(Excerpt) President Jose Sarney today installed Oscar Dias Correia as the new justice minister. The ceremony, which was held at the Itamaraty Room of the Planalto Palace, was attended by several ministers and members of the courts. [passage omitted]

Former Minister Named to Military Supreme Court

PY2001162689 Brasilia Domestic Service in Portuguese 2100 GMT 19 Jan 89

(Summary) President Jose Sarney today sent a message to the Senate appointing former Administration Minister Aloisio Alves as minister of the Military Supreme Court.

Dengue-Fever Mosquito Infestation Reported

PY2001031089 Rio de Janeiro O GLOBO in Portuguese 19 Jan 89 p 6

(Summary) The Epidemic Disease Control Superintendency [SUCEN] yesterday reported that the rate of an outbreak of dengue and yellow fever in Sao Paulo State has increased because 21 municipalities in the state have already reported an index of mosquito eggs [indicating infestation in local residences above the levels tolerated by WHO].

Chile

President Pinochet on Plebiscite, Elections

PM1901163089 Paris LE MONDE in French 11 Dec 88 pp 1,6

[Interview with President Augusto Pinochet by Marcel Niedergang--date and place not given]

[Text] [Niedergang] Pinochet seems to fascinate politicians as a man who is defeated and also overwhelmed.

[Pinochet] That is how they would like to see me, but I have not changed. I think I have even more energy than before. I have taken advantage of that to rest a little, and I feel like a new man, in the political and military sphere. I feel I have the same strength as I had before 11 October, and as I have had for 15 years. What [illegible] I want that [illegible] you and the elections I will agree here with [illegible] things. Other people can work or create chaos. I will watch. That is all I will do. We must first see how things are going to develop. My main opposition is that [illegible] should not express and should not open doubt on what has been achieved. That is my main concern--to prevent a return to the past.

[Niedergang] And if that happened, what would you do?

[Pinochet] First, to be able to return to the past, it would be necessary to change the 1980 Constitution. But, in my view, that Constitution cannot be altered to be good or bad before it is fully implemented.

[Niedergang] Some opposition circles want the Constitution to be reviewed and are advocating negotiations with the Armed Forces. What do you think of that?

[Pinochet] That is their problem. It is one thing to demand, getting what you want is a different matter. They forget that it is not the Armed Forces' role to negotiate political or constitutional reforms. That is very clearly laid down in the Constitution. Any dialogue on the Constitution must take place with the executive.

[Niedergang] The opposition is hearing that there are rifts again that the Armed Forces are preparing for the possibility of direct dialogue with them and that the military are already trying to distance themselves from the executive, to stand apart from it.

[Pinochet] That is not true. General Matthei and General Stange have said that any dialogue is the executive's sole responsibility. The opposition forgets that the Armed Forces are very united and highly disciplined.

They were the first to show their allegiance to me after the "yes" vote was defeated in the plebiscite. I was not upset. I am applauded when I visit the regiments. What the opposition wants is for the military to hang me, to rise up against me, and to distance themselves from me as you say.

They want me to be ostracized. That is a dream. I see carabineros weeping after the 5 October defeat. The same happened to me as happened to Napoleon. I do not think that the military could turn against me. They know that I am very concerned about them.

[Niedergang] What has changed in the country since 5 October?

[Pinochet] People have discovered--some with irritation--that there is not such a great gulf between the executive and the population as they said. People said that President would lose with [illegible] 10 or 12 percent of the vote. More than 46 percent of people [illegible] "yes." The reform I am supposed to be a dictator, planned a coup d'etat to save democracy. Then I introduced a [illegible] vote and then held a plebiscite. I immediately admitted my defeat. Is that what a dictator is like?

[illegible]

[Niedergang] You recently said that you wanted to retire like a Roman emperor.

(Pinochet) Yes, I recalled the story of Cincinnatus. It is part of history. When Rome was besieged, people sought him out to save the homeland. Messengers found Cincinnatus busy ploughing his land. He was a simple man with other habits. He put on his uniform, went into battle, and defeated the enemy. He was given honors and he then returned to his plough.

[Hondergang] Is that your idea?

(Pinochet) Just wait a moment. There is a second part to the story. Rome was besieged again and people sought out Cincinnatus again. But I did not tell this second part. I just told the first.

[Hondergang] But were you not confident of winning the plebiscite? I was told that one general told you intimately: "General, in my report 75 percent of people will vote yes." Is that true?

(Pinochet) It is true. Indeed, the opinion polls were very favorable to the yes vote until the last day. On the eve of the ballot the surveys on ULTIMAS NOTICIAS gave us 54 percent against 44 percent. Everybody thought we would win. But I have witnesses. I never said that I was certain of winning. There are always misunderstandings and unknown factors. It is like oil prospecting. You make great efforts, you spend a great deal of money, you find an oil field but nothing is certain until you start extracting the oil. It is like a boxing match. You have to wait for the bell and for the referee to raise the winner's arm. We were defeated on points on 5 October, we were not knocked out. However, you will admit that you do not obtain beat a plebiscite with 43 percent of the votes. The plebiscite was clear and there was no fraud. Everybody admitted that.

[Hondergang] You fought virtually the whole election campaign in civilian dress, but you appeared on television to endorse in person your defeat. Why?

(Pinochet) Because that was the soldier showing that he had kept his word, that he had kept his promises, and that he accepted Chile. I had promised a plebiscite. I met it. Those are the rules. Now, 3 months later, I think that destiny was finally giving us a chance. If we had won people would have said there had been fraud.

[Hondergang] So, did you prefer losing?

(Pinochet) For the time being, it is better to have lost.

[Hondergang] For the time being?

(Pinochet) Of course, because there will soon be elections.

[Hondergang] It has been said and written that you were resigned to losing and the Army when it was clear that the "no" vote had won. That was when the votes were being counted, at night, during the meeting with the junta.

(Pinochet) That is pure invention. I do not know how they came up with that story. People said that I was in uniform whereas I was wearing a beige suit at the time. And they say I said to the Armed Forces commanders in chief: "Gentlemen, we are going to take to the streets." Against whom could I have fought when the streets were deserted? And my commanders in chief, who are junta members, allegedly replied: "No, sir, we will not go out." I will tell you that we have one characteristic here in Chile: Our Armed Forces have a Prussian training. Vertical command is a reality here.

[Hondergang] How do you explain your defeat?

(Pinochet) There are many factors. We probably made mistakes during the campaign. Second, some sectors of society failed to fully assimilate the government's modernization efforts, and the economic and social development achieved in recent years. Some politicized sectors of the Christian church intervened. I also think that our legislators had overdone and the appearance of large sectors of young people about Chile in the days of Popular Unity had an influence.

I have documents and proof of foreign intervention which have not yet been published but which will probably be published one day. I may publish them in a book or in my memoirs. The Russians broadcast propaganda on the radio every day. The Americans gave money to the opposition. U.S. Ambassador Barnes intervened personally. Europe also gave money. At least 50 million dollars were given. But that is just the tip of the iceberg. In fact, there was much more.

Democracy's Achilles Heel

[Hondergang] Does the transition to democracy imply complete democracy eventually or not?

(Pinochet) Yes, it implies a 100 percent democratic system provided you do not [illegible] Democracy has an Achilles heel which unfortunately regimes do not have. Democracy enables those who want to destroy it to infiltrate and destroy it from within. That is how they destroyed us here in Chile between 1970 and 1973. They destroyed everything because they were allowed to take action. The democratic system must protect itself. It must prevent intrusion by totalitarian doctrines.

[Hondergang] Does the return to democracy imply the PCCh's legal presence in public life? Can it be present in parliament and elsewhere?

(Pinochet) We have not accepted the PCCh. And in private or planning politics, we must educate people, explain PCCh commitments to, and show that it is not just another party like the others.

[Hondergang] Would you change your opinion if the PCCh abandoned the clandestine war and a legal struggle after its present congress?

(Pinochet) No, that would not change anything. Show me real facts and I will change. The same applies to Mr Gorbachev's restructuring. I still do not really believe it. If there are real changes, then I will change. I am like St Thomas. I believe what I see.

(Niedergang) So, what do you see on the pre-electoral Chilean political scene?

(Pinochet) I see a great deal of confusion. The opposition leaders agreed to say no. That was easy. Divisions, splits, and personal rivalry are now reemerging. That is logical. These divisions leave no doubt about the lack of clarity and consistency in their political programs. Indeed, they do not have any programs suited to the country's needs. They are merely demanding constitutional reforms which are not essential. That is worrying.

Even a consensus opposition candidate would be obliged to bow to pressure from the most radical sectors which are advocating an extremist program which is contrary to the spirit of freedom and free initiative. That is why I fear that a victory by the opposition in the next elections might be a serious threat to the progress achieved over recent years.

(Niedergang) The opposition think that your all-out privatization plan is excessive, contrary to the country's interests, and even a threat to national security.

(Pinochet) The opposition condemns privatization because it robs it of votes. We pioneered privatization and have benefitted from it. We did it long before Mrs Thatcher. We [as more than 100 million dollars in loss-making public enterprises. What about national security? It is not threatened at all.

Human Rights

(Niedergang) Even the Chilean right is asking that human rights cases involving military personnel should not be hushed up by the courts. And some people here are insisting on this. They suggest that the National Intelligence Center should be dismantled—as the National Intelligence Directorate was—as a scapegoat gesture. What do you think of that?

(Pinochet) It is an interesting question. That is part of the left's campaign against security bodies.

That is because it is through them that we discovered illegal activities, arms trafficking, and their plans. Even more than now, I would like to know the name of any civilized country in the world which does not have an intelligence service. Have the Americans dismantled the CIA? Have the French dismantled their security bodies? What about human rights? People claim to defend them to varying degrees according to whether you are powerful or poor and small like us.

(Niedergang) Do you not think that a conflict could break out in Chile between the next democratic government and the Armed Forces over the trial of officers as has happened in Argentina?

(Pinochet) I do not think so. The Armed Forces' commanders-in-chief must remain at their posts for another 6 years. That is enshrined in the Constitution. It is true that there were excesses connected with the fight against terrorism, but the denunciations of human rights violations by other countries were excessive in many cases. As far as I am concerned, I do not want there to be any case—civilian or military—which has not been judged by the end of my mandate. We have decided to speed up legal proceedings. For instance, the case of the "quemados" (the young people who were burned) has been judged. An officer was found guilty. Verdicts are imminent in other cases.

(Niedergang) You do not believe in restructuring, but you have established contacts with the Soviet Union. Is that true?

(Pinochet) Not contacts. There have been very discreet talks in Switzerland. So far they have not produced many results. Let us say that it is a rapprochement. You cannot always be at war or in conflict. We are beginning to have indirect commercial relations with the Soviets through Mexico. If I think that things are going well. If there is real openness, there is no reason why we should not have normal relations. I would be delighted with that. You have to be practical.

Court Upholds Arrest of Communist Leaders

PY1801151189 Madrid EFE in Spanish 0431 GMT 16 Jan 89

[text] Santiago, 17 Jan (EFE)—The Appellate Court of (words unknown) today upheld the arrest and trial of four Chilean Communist Party leaders who have been held under arrest for 3 weeks.

Leaders Antonio Zamilla, Mireya Baltra, Jose Sanfuentes, and Guillermo Sharpeg were arrested after holding a news conference during which they announced the 13th National Congress of the Communist Party. This party has been outlawed by the Chilean military regime.

Despite this decision, the court dropped two of the three charges for which the leaders were arrested and tried (words unknown) Domingo Kokisch, with a negative vote of Judge Marcos Libedinsi, who ruled against the government demand.

The four detainees have been charged only with "promoting violence (words unknown)

Judge Releases Communists

PY2101133289 Santiago Domestic Service in Spanish 0930 GMT 21 Jan 89

(Text) Judge Dionisio Kokisch has ordered the release of the four arrested Communist leaders, subject to appellate court approval. The detainees have been indicted on charges of promoting violence. During a news conference they reported the agenda of the 15th Congress of the Chilean Communist Party, which was being held underground, and they emphasized rebellion by the people as a political method. The detainees are Jose Sanfuentes, Mireya Baltra, Americo Zorrilla, and Guillermo Sherping. The third chamber of the appellate court will decide on the decision by the judge next week.

Court Confirms Release

PY2401012089 Santiago Radio Chilena Network in Spanish 2200 GMT 23 Jan 89

(Excerpts) The Third Appellate Court of Santiago has ordered the release of four Communist leaders upon their posting a 7,000-peso bond. The court has thus upheld an earlier decision by Judge Dionisio Kokisch, who is hearing the case in which the Communist leaders are charged with promoting violence. (passage omitted)

Mireya Baltra, Jose Sanfuentes, Americo Zorrilla, and Guillermo Sherping were taken to court to hear the decision. (passage omitted)

Colombia

Presidential Adviser Interviewed on Peace Talks

PA1901151389 Bogota Emisoras Caracol Network in Spanish 0215 GMT 16 Jan 89

(Interview with Rafael Pardo Rueda, presidential adviser for national normalization, reconciliation, and rehabilitation, by reporters Julio Sanchez, Rodrigo Barrera, Jesus Cuartas, and Carlos Ruiz for "The Personality of the Week" program in Bogota; individual reporters not identified; date not given—recorded)

(Reporter) Is the document you just signed with the M-19 a peace agreement or a document that commits the two parties to do something specific in the immediate future?

(Pardo) To be precise, that document is a statement containing a series of agreements reached at our meeting with Carlos Pizarro. It is not a peace agreement; it is a first step that could lead us to peace if that step is developed adequately.

That statement includes four points I would like to discuss. The first point deals with a general call to the entire country to contribute to the peace process. Peace is now the most important issue in Colombia. Economic development and all forms of development are clouded by violence; therefore, peace is the number one issue in our country. We are all responsible for peace and must contribute to it. That is the first point of the statement.

The second point entails a more complex explanation. I will give a longer explanation about that point. In the second point of the statement, the government and the M-19 call on all political parties represented in the Senate and the other members of the Simon Bolivar Guerrilla Coordinating Board (CNG) to hold a direct dialogue to seek a political solution to the violent conflict our country is experiencing. The two parties agreed that a political solution must include a timetable for guerrilla demobilization and for the establishment of full democracy in the country.

What are the conditions for that dialogue? The guerrilla groups must fulfill two conditions. First, they must realize that the basic goal of the direct dialogue—although there may be other goals—is to seek ways for the guerrilla movement to join the country's civil life or, in other words, the demobilization of the guerrilla movement. We agreed on a second condition to give credibility to the dialogue. The various guerrilla groups—others besides the M-19—that are members of the CNG must prove with trustworthy actions that they want national reconciliation. Those actions must be expressed through the declaration of a unilateral cease-fire for a moderate length of time. The nation would then feel it is living in an atmosphere of trust, which is essential for the progress of the direct dialogue. That deals with the second point of the statement.

Let me add something else about that point. You may wonder why we agreed on including the political parties in that dialogue. The political parties represented in Congress represent the Colombian people and are powerful enough to set political openings and introduce changes allowing the guerrilla movement to join the country's democracy.

The government can commit itself to a number of things with the guerrilla movement at the direct dialogue, but there are other things that deal with political commitments; therefore, we invited the political parties. We [illegible] are not inviting them for their prior acceptance of the guerrilla groups' proposals, but for their offering political openings leading to democracy and their allowing the armed groups to present their ideas and proposals to persuade and convince others within a democratic framework. That is regarding the second point of the statement.

As the third point of the statement, M-19 Commander Pizarro confirms the declaration of the M-19's unilateral truce throughout the country to help create a climate of dialogue and trust.

As the fourth point, we inform the country that the government and the M-19 began discussing a possible agenda for the dialogue and establishing dates to discuss

political issues with a view toward incorporating the guerrilla movement into the country's civilian life and establishing full democracy in the country.

[Reporter] The government has changed its attitude, has it not, Dr Pardo Rueda? The government had been insisting it did not accept intermediaries. The government did not even participate in the coexistence commission, and now it is asking the Colombian political parties to talk with the armed groups. According to people who criticize that mechanism and according to various statements such as the ones made by former President Misael Pastrana, the government is the one that must talk with the guerrillas because it is responsible for the country's public order situation.

[Pardo] That is correct. The government is not passing that responsibility or its duty to maintain public order in the country to the political parties. The government is not looking for intermediaries between the government and the guerrillas. The government will continue holding a direct dialogue with the armed groups, which fulfills the conditions I mentioned before.

Why the political parties? Because the government cannot commit itself on a number of issues, because those topics deal with political openings and with the content of political discussions.

The government can promote political discussions and possible agreements, but the content of those discussions are not the government's commitments, they are commitments—if agreements are reached—that involve the country's political actors.

In the peace initiative, the government proposed that once the guerrillas show their willingness to join the country's political life, we would establish a direct dialogue with the armed groups. We also proposed that simultaneously we would consider the possibility that—through legal spokesmen—the armed groups would join the discussions in Congress on the constitutional amendments, which were a basic [illegible] of discussions in Congress during the 2d half of 1988.

When we presented the peace initiative, the government thought the opening it could provide was the guerrillas' attendance at the Congress discussions on the constitutional amendments. That attendance was suitable for discussing the ideas and plans of the armed groups which had shown a willingness for reconciliation. We thought that the guerrillas could try to Congress to convince other groups and seek agreements.

The government now believes it is possible for the political parties to hold direct talks with the armed groups, if the parties agree to do so. The government can promote meetings, but the political parties are the ones that can reach agreements on the content of their political discussions.

That is why these two positions exist, which is nothing new. What changed is the scenery of political discussion. The peace initiative first proposed the participation of the armed groups in the discussions of the constitutional amendments in Congress, but now the government believes it is suitable and useful to promote direct talks between the political parties represented in Congress and the armed groups.

There has been a change, because the situation now is different than when we issued the peace initiative. There are other conditions now. Before, we thought the guerrillas could participate in the first debate of the constitutional amendments, but now it seems more useful and adequate to promote direct talks between the guerrillas and the political parties.

[Reporter] Dr Pardo, I understand that the reincorporation of the armed groups to the country's civil life must be approved by Congress, by an agreement on the content of the political discussions. Please tell us what the government thinks will happen at Congress regarding the political discussions that are supposed to benefit the guerrilla movement?

[Pardo] It is not that Congress must approve it, it requires political commitments—that is my definition of it. The full incorporation into civilian life of the rebels that have risen up in arms is not just a governmental-guerrilla relationship. The rebels have not risen up in arms just because they are stubborn, but because they have their own ideas and political projects. We are trying to find a formula that will allow them to continue their same ideas and political projects, but without weapons and within democracy. In other words, we are not asking anyone to change their ideas. We are offering them a possibility to see if those ideas can be discussed, they can struggle for those ideas, but within the framework of democracy.

That is the meaning of the process of incorporating them. It is not just a process of demobilizing the guerrillas. However, a process of incorporation must lead to the demobilization of the guerrillas. It is also a process of incorporating them while searching for opportunities whereby those who have risen up in arms because they have different political ideas must not abandon their ideas. Rather, they will find a political opportunity proper for discussing those ideas and—not only discussing them—seeking agreements on those ideas with other political forces.

That is why I would be more precise concerning your question by saying it is not that the reincorporation process must be approved by Congress, it requires commitments with political forces. We cannot speak of what those commitments will be; it all depends on the political forces. I cannot speak for the political parties. What the government can do, and is doing, is promoting the opportunities so this agreement can arise. I do not know if this is clear now.

[Reporter] As you said from the beginning, the parties have wide representation and they are heard in the Congress, because the political parties have [word indistinct] capabilities through the draft laws that later become laws of the Republic. To this effect, I would like to ask you what the government expects—as you pointed out earlier—will be made clear from those agreements with the political parties? That is why I said it had to be approved by Congress as draft laws.

[Pardo] To that effect, an example of the commitments could be through draft laws, but there can be other means for explaining those commitments that do not necessarily mean becoming draft laws or laws. I think that point is clear. Concerning the contents, the government is not making any hypothesis on what these commitments are. Why? Because of a government commitment. The government is committed to finding the possible formulas of providing opportunities and promoting that agreement. However, the commitment is the result of how far one or another can reach commitments.

Thus, it would not be wise to do that now. Later, one would have to see what the commitments are and how this would fit into the reform. The government does not commit itself to making any reforms. The government commits itself to providing the opportunity so the reforms can be discussed and commitments can be reached. Achieving those commitments is the contents. To forecast now what those would be is not only impossible, but unadvisable in a process that has begun in a serious and firm manner. There is no sense in making any hypothesis about what would happen.

[Reporter] Following the declaration issued by the government and the M-19, what is the status of the M-19? Does it have the administrative, juridical, or political protection from the government to prevent a sudden clash or any harassment by a military patrol? What is the status of the M-19 members concerning society? Do they have any special protection?

[Pardo] No, one first step has been taken. There is a willingness and some points of coincidence that were voiced in the joint declaration. However, this does not mean they have a special condition compared with other Colombians or other fellow countrymen. The M-19 is a guerrilla group that has acted in a manner in line with the proposals made by the government for establishing a dialogue with the M-19. Therefore, the government has been holding a dialogue with this group and has reached some points of coincidence that have been included in an agreement.

The M-19 group has not returned to civilian life, and we have not started to talk about reincorporation procedures with them. We have expressed our wills, established a plan, decided to call other rebel groups to join the process under the conditions I previously mentioned, and called on the political parties to join us in our efforts to find formulas for incorporation and total democratization. We have not, however, started to talk about concrete matters; we have not reached agreements about concrete matters, which is why we cannot anticipate matters that have not begun. This has been a first step, but we still have a long way to go. We have not discussed the subject of reincorporation and how it could be carried out; we have not talked about this at all. The statement we issued contains the topics we discussed and agreed on.

[Reporter] Dr Rafael Pardo, does the Barco administration have enough time left to implement the rebels' reincorporation in civilian life as indicated in the schedule contained in the government's peace process?

[Pardo] The government, this administartion, will try to find all the possible ways to attain true and lasting peace from its 1st day to its last. I do not believe, I must insist on this subject...[changes thought] I do not like to hypothesize or interpret events that have not occured. I believe my work and the government's—and the government is very serious about this process—is to explain events, the scope of events, policies, and political criteria, without anticipating or interpreting events that have not occurred. From its 1st to its final day, the government will work tirelessly to achieve that objective.

Whether we have enough time or not is irrelevant. The meeting with the M-19 has been an important step; it has been welcomed by important and representative sectors. I believe we should focus our attention on the future with optimism, hope, and realism. Our efforts should not be overshadowed by what could happen; we should wait and see what happens. I am willing to guarantee that what happens will be the best possible thing for the process.

[Reporter] Dr Pardo, does the government's new approach to the M-19 in any way decry the opinions of those who say Colombia is experiencing an indefinite war?

[Pardo] I do not believe anyone in Colombia wants an indefinite war. Not a single person among the nation's 30 million inhabitants wants an indefinite war. If we understand this, I believe we will also understand that we must try to reduce violence through every possible means within our reach. Violent actions are not perpetrated for the sake of violence; they are not inexplicable. We must, therefore, do everything we can to reduce violence. No one wants an indefinite war, not even the paramarilitary or guerrilla groups. I am sure it is not their desire to make violence a way of life.

[Reporter] Dr Pardo, you insist the government is interested in creating openings for agreements with the guerrillas, in making the guerrillas a political issue. Will an area be reserved for the military where political party

spokesmen can be sent by the regional rehabilitation advisory councils? What is the procedure for this political agreement between the parties and the guerrillas?

[Pardo] No, no, no [words indistinct]. We must design a plan; it must emerge from an agreement among the forces involved in the discussion. Nothing definite has yet been decided, but we know this is the path we must follow; it is a commitment we must make, because we have no specific plan or methodology.

[Reporter] Has the government discussed the possibility that one or several of the six groups that compose the CNG could reject that call? Can that dialogue involve all or some of the groups that compose the coordinating board?

[Pardo] For the sake of peace in the country, we wish all were involved; that is our hope, that all groups composing the guerrilla coordinating board will embrace this attitude, allowing us to establish a process benefiting the country, one that is valid for all.

However, we cannot advocate the position of all or none. As we go along, we will observe the behavior and real attitudes of the various armed groups. I believe that making a priori hypotheses as to which ones will and will not does not make much sense either. I hope they will all accept this call to analyze the ideas being proposed to find a solution involving all guerrilla groups.

[Reporter] Dr Pardo, the government is already implementing a peace initiative with the M-19. Does the dirty war maintained by paramilitary groups in any way disturb the normal development of that process?

[Pardo] Of course, the so-called dirty war and political crimes are the greatest challenges to Colombian democracy. The violence practiced by paramilitary groups, groups of hired assassins, and those who generally use political crimes to impose or silence ideas is one of the worst scourges of our country and especially of Colombian democracy.

This it why the govermment is determined to and has done all it can to reduce this very harmful violence factor. We must realize, and not everybody will realize it, that there is no good violence; there is no good or bad violence where good violence favors me and bad hurts me. All kinds of violence are bad, although some believe that some kinds of violence favors them indirectly.

Therefore, whoever believes that eliminating people for advocating specific political ideas is solving a problem for the country is the worst enemy of the state, because the worst enemy a state can have is one who seeks to defend the state through illegitimate procedures; in one way or another, the state's legitimacy is affected.

Paramilitary groups who believe they are defending a system and state by murdering people they believe think differently and are enemies of their system and state because of their thoughts and ideology are doing great harm to the state, system, and society. I repeat: The worst enemies of a system are those defending it by rendering it illegitimate.

This is clear to the government, which is why it is waging an open struggle on all fronts against terrorism, paramilitary groups, and organized crime. There is no classification of priorities as to what is worse. The government's obligation to all is to reduce and stop such actions and bring about peace for the entire country.

[Reporter] Dr Pardo, throughout this interview you have repeated that guerrillas who wish to impose ideas and paramilitary groups who wish to attack ideas are equally disturbing the peace of Colombian democracy, with arms of course. The government is already holding talks with guerrilla groups. Would it also be feasible for the government to hold talks with paramilitary groups to reach a coordination that would help achieve peace in the country?

[Pardo] No, the government does not believe so.

[Reporter] Dr Pardo, Government Minister Cesar Gaviria Trujillo said no commitment was reached with the M-19. For example, concerning political reforms, will those reforms be made once the political parties join this new peace process?

[Pardo] No, we did not talk about that; therefore, we reached no commitment. However, we must discuss political reform; not necessarily with the government but with the parties. We reached no commitment because we have not yet discussed that topic. We must discuss it in the future.

[Reporter] Dr Pardo, going back to my previous question, there will be no reconciliation policy, but a policy of repression for paramilitary groups?

[Pardo] Yes, that is the treatment given to all kinds of crime.

[Reporter] What are the effects, the figures? It is said we will invest many millions in the rehabilition plan, billions for this or that area, and other things. What are the real facts of this plan regarding the state's presence in isolated areas that have been the targets of the guerrillas?

[Pardo] The rehabilition plan seeks to assist 5 million inhabitants who are living amid such conditions in those regions. The rehabilitation plan has had important effects, although not all problems have been solved; these regions have been neglected throughout our country's history. Nobody could possibly believe we could solve all problems in those regions in the 2 years since the rehabilitation plan was started.

However, it is clear the rehabilitation plan has opened an important path, because public investments have been discussed with the people. In other words, representative democracy—and we are very proud that Colombia is an example of the continuity of representative democracy—has been strengthened and is paving the way for a participative democracy in which the people discuss government decisions through democratic means. Public investments through the rehabilitation are examples of participative democracy applications.

This does not only mean building access roads or schools in these areas, but allowing the people to have a say about the priorities in their areas. It means building a school at a certain site or building an aqueduct at another. There is only so much one can do with a certain amount of money; therefore, things must be in order. There could be an arbitrary order or an order defined by people who do not know the region; however, with the rehabilition plan the order of doing things is reached between the government and the municipal community.

This is a path the rehabilitation plan has opened, which is the main achievement of the plan—more so than the many projects we have implemented. We must consolidate and maintain it to expand participative democracy.

[Reporter] Dr Pardo, presidential candidate Rodrigo Lloreda Caicedo said the government must now define the terms and ensure serious and effective talks with armed groups. What will the government do to establish deadlines, achieve peace, or reach a peace principle? What measures will it take to ensure that we will be holding talks with serious interlocutors?

[Pardo] Nobody is doubting that the government has acted with absolute seriousness throughout this process. The seriousness is basically ensured by our clear objectives and the fact that the procedures or steps we have taken have not been ambigious. The government has been involved in a serious, clear, and transparent process since 7 August.

I believe it does not make much sense to judge the intentions of one side or another, because if we involve ourselves in negotiations we must start from the premise that we need not demand seriousness from the other side as a condition.

I will give you an example: Say you are selling me a used car. You say the car is worth more than you are asking for and that it is in better condition than it appears to be. If I wish to negotiate the car purchase with you, I cannot start with the assumption that you are speaking the truth. I realize you are involved in a negotiation. If one assumes the other person is speaking the truth, there is no negotiation at all. Negotiation is a process in which two sides could reach a mutually beneficial agreement. That is what we are seeking.

Regarding your question, either the other person is honest and tells the truth or he is not and does not tell the truth. This is true even when dealing with car sales. Let us suppose a negotiation has been initiated. How do we know truth is being spoken? By the willingness to make good one's word. The terms established by the government are an assurance that such a commitment can be complied with. In other words, this is why the government is asking the rebels to show their willingness for peace by their position and actions. This will determine whether they are speaking the truth. It is by their actions that the guerrillas will demonstrate that the country can trust them, and not by trying to determine whether the other side is telling the truth or not. I think this effort to determine truth is not too important, because behavior is what determines truth. Actions are what people believe in.

[Reporter] Dr Pardo, past efforts to have the rebels return to civilian life have found that it is difficult to protect those who agree to struggle for their ideas without arms. As everybody knows, hundreds of Patriotic Unity [UP] members have lost their lives to henchmen and armed executioners. How far can the government protect the guerrillas if they lay down their arms, as the government has promised?

[Pardo] The safety and lives of those who lay down their arms should be a priority consideration in this process. The best guarantee is a climate of trust. In abnormal circumstances, the only guarantee of life would be to designate a policeman beside every citizen. However, we intend to establish a normal situation, one of trust, in which this kind of problem can be a minimal one rather than the central one it is now. I think only trust, rather than the state's responsibility and actions, can create this condition. The state has been carrying out these actions within its own limited ability to offer protection. The point being debated, however, is not protection, but trust. Protection means a policeman beside each citizen. But this would be impossible and would make no sense. It does make sense, however, to consider a process leading to a climate of trust and credibility, which is established by actions.

[Reporter] You have been discussing the importance of the call to political groups to join in this new process planned with the M-19. However, there is an independent organization that plays an important role in this new peace process. What will the Armed Forces' role and commitment be in the new peace stage?

[Pardo] I do not think it is an independent organization; it is part of the government. All of the government services have committed themselves to this procedure established with the M-19. The Armed Forces are part of the government. The Armed Forces are understood to play this role, and every government branch will act accordingly.

[Reporter] How can the government speak of establishing a climate of trust and normalcy while a state of siege is in force, the struggle against the dirty war has been unsuccessful, and mistrust of the judicial system to punish crime prevails? How does the government expect to create this climate of trust so the guerrillas can make up their minds and return to civilian life with the certainty they will be able to present ideas and participate in debates within a democratic mechanism?

[Pardo] I think others besides the rebels have problems. Political activities involve all sectors in this country, such as UP, the Liberal and Conservative Parties, reporters, judges, policemen, and all types of officials. Colombia's great problem of political crime—the dirty war and murder for political reasons—touches all sectors. This problem is not exclusive to those who laid down their weapons to return to civilian life. We must face this problem as one affecting all. This is why individual rights are only one aspect. Political crimes cannot be solved only with individual protection. This problem is solved through a climate of normalcy, which is created with actions that elicit trust. This is what we must construct. This is our goal.

[Reporter] More specifically, regarding legal guarantees and the M-19: Antonio Navarro Wolff and Carlos Pizarro Leongomez have been tried. Will the government utilize the traditional mechanisms of amnesty and pardon so they can freely return to civilian life?

[Pardo] The government has a formula and some ideas for this particular case, but this point has not yet been discussed with the M-19.

[Reporter] What are the government's ideas on this point?

[Pardo] Pardon, basically. This is what was presented at the peace initiative. I repeat, however, this has not been touched upon with the M-19.

[Reporter] Are you people trying to secure pardons for all those who return to civilian life and have cases pending?

[Pardo] Because this particular point has not been touched upon, I could not say this has been agreed upon or that this is what will happen. Very simply, the government has its view and some instruments and formulas. But nothing of this has been touched upon.

[Reporter] Dr Pardo, are the La Uribe agreements still in force?

[Pardo] Yes. May I repeat, however, that according to the government, the La Uribe accords' spirit is still in force. The government thinks this spirit entails the possibility of finding peace through dialogue so the guerrillas can return to civilian life.

[Reporter] Do you think the fact that the government seized the arms shipment destined for FARC merits a change in government policy?

[Pardo] I do not see the point in such a change. If the La Uribe accord is no longer in force, the government basically thinks the accords' spirit is still alive. The government thinks it is possible to seek a return to civilian life through dialogue.

[Reporter] Dr Pardo, is it not contradictory that the government and the M-19 are urging a direct political dialogue between parties and the guerrillas; a direct dialogue with the CNG, of which FARC is a part, is sought through the M-19; and the defense minister reports on the seizure of this arsenal?

[Pardo] Of course, it does not make sense, not by FARC. This is why the country wants and the government demands agreement between words and deeds. If somebody says he wants peace, let him show it by his deeds so others can believe him. This is precisely what has been set forth for a direct dialogue. It is possible to talk provided there is a climate of credibility, which is determined by actions.

Ecuador

Foreign Minister Meets With PLO Representative

PA2201220789 Quito EL COMERCIO in Spanish 13 Jan 89 p A-6

[Text] Ecuadoran Foreign Minister Diego Cordovez met yesterday with Mr Husayn 'Abd al-Khalik, PLO representative to Peru, who came to Ecuador to greet the new Ecuadoran Government and to brief government officials on that organization's policy and the most recent developments regarding the Palestinian issue.

The visitor commented on the Algiers Declaration, which proclaimed the Palestinian State, and statements by Mr Yasir 'Arafat, president of the PLO Executive Committee, at the UN General Assembly meeting in Geneva in mid-December.

In recalling the Ecuadoran delegate's speech at that international forum, Minister Cordovez reaffirmed the country's support for the rights of the Palestinian people and for a peaceful, just, and lasting solution to the Middle East conflict within the framework of Security Council Resolutions 242 and 338 and an international conference under UN auspices.

The foreign minister added that the Ecuadoran Government places great importance in the creation of a climate in which the parties involved, including Israel, can negotiate an accord establishing firm bases for peace and stability in that region.

Debt Refinanced Through Bilateral Agreements

PA1301182589 Guayaquil EL UNIVERSO in Spanish 4 Jan 89 p 2

[Text] Quito—Ecuadoran President Rodrigo Borja Cevallos has authorized the finance minister to sign bilateral agreements with the Belgian, Italian, and Japanese Governments to refinance the foreign debt through the Paris Club.

These agreements were concluded under the terms of the Ecuadoran Foreign Debt Consolidation Act signed by Ecuador and the Paris Club on 20 January 1988.

The bilateral agreement with Belgium includes deadlines, interest rates, and amortizations for a total of 43.1 million Belgian francs and $369,545,400. A deadline of 8 years and 6 months, including a 6-year grace period, has been established for payment of these amounts. The agreement also stipulates the annual payment of an additional 1-percent LIBOR [London Interbank Offering Rate] on biannual deposits on the debt in francs and the same percentages and interest rates on biannual deposits on the debt in dollars.

Also stipulated is an additional 2-percent annual interest on delayed payments and the amortization of the debt through six consecutive and equal biannual quotas, the first of which expires on 31 January 1994.

The agreement with Italy involves two portions of the debt in dollars. The first portion, in the amount of $100.5 million, has been refinanced for a period of 10 years and 6 months, including a 6-year grace period, with the payment of an additional 0.5-percent LIBOR annually on biannual deposits; the capital will be amortized in 10 biannual quotas, the first of which expires on 31 January 1994.

With Japan, Ecuador is refinancing a debt of 3,510,700,000 yen and another previously refinanced debt of 2,013,900,000 yen.

The portion of the debt not previously refinanced comes from credits granted by the Overseas Economic Cooperation Fund [Fondo de Cooperacion Economica de Ultramar], the Export-Import Bank, and commercial debts insured by the Japanese Government. A period of 10 years and 6 months, including a 6-year grace period, has been established for payment of this debt.

The other portion of the debt comes from credits granted by above-mentioned sources and must be paid within 8 years and 6 months, including a 6-year grace period.

191 Arrested in Guayaquil Demonstrations

PA1901154789 Paris AFP in Spanish 0708 GMT 19 Jan 89

[Text] Guayaquil, Ecuador, 18 Jan (AFP)—A total of 191 people are still under arrest following yesterday's violent demonstrations by state university students in Guayaquil. Meanwhile, a wave of protests that began last November continues in other parts of the country.

Police Commander Colonel Oswaldo Perez said here today that 191 citizens are still being held by the authorities, including approximately 50 who are not students. A total of 7 minors and 19 women were released last night.

The demonstrators smashed windows of official and private vehicles, and damaged public buildings, traffic lights, and billboards.

Policemen, some in plain clothes, stopped approximately 300 demonstrators and took them away in police trucks, according to local television reports.

Governor Rafael Guerrero accused university authorities of pressuring professors, workers, and students to participate in the demonstration, which was infiltrated by members of opposition parties who were responsible for the violence.

Guerrero said that the detainees will have to pay for the property damage before they are released.

Among those arrested are seven Colombians, who are being investigated to determine whether they are students.

Meanwhile, residents in Canar, in the southern Andean Region have been on strike for 3 consecutive days, during which they have clashed with police, stoned public buildings, blocked traffic on several roads, including the Pan-American Highway, which links Cuenca—310 km south of Quito—with the rest of the highlands.

Approximately 12 employees of a firm working on the expansion of the potable water system in Guayaquil have been on a hunger strike for 2 days at the Constitutional Guarantees Court in this city supporting their union's demands.

On Thursday, workers affiliated to the Sole Workers Front (FUT) in Quito staged another protest against the high cost of living.

Official Reports AIDS Cases in Guayas Province

PA2101021289 Paris AFP in Spanish 1528 GMT 18 Jan 89

[Text] Guayaquil, 18 Jan (AFP)—Health Director Jose Adum has told the press that as of the 1st week in January, there were 108 reported cases of AIDS in Guayas Province.

He added that 31 of these patients have died, 69 are healthy carriers, and 8 are beginning to show symptoms of the illness.

Only one minor has been reported to suffer from AIDS, and two women have died of it.

To conclude, the official announced the start of an educational campaign to inform people about the risks of sexual promiscuity. Local press, radio, and television daily carry information on AIDS prevention.

Paraguay

Stroessner Sends Messages to Reagan, Bush

PY2101134789 Asuncion HOY in Spanish 21 Jan 89 p 10

[Text] President Alfredo Stroessner yesterday sent two telegrams to the United States on the occasion of the transfer of presidential power. One of the messages was sent to outgoing President Ronald Reagan, and the other one to the incoming President, George Bush.

Message to Ronald Reagan

"In the name of the Paraguayan people and of myself, I am sending your excellency my best wishes as you leave your post as President of the United States. I am convinced that during your administration our countries have walked together down a path of understanding and cooperation and have strengthened relations as a result of the sincere friendship between our peoples. Please, your excellency, receive this message as a token of my warm friendship and consideration."

Message to George Bush

The message addressed to the new U.S. President, George Herbert Walker Bush, states: "On your assuming the Presidency of your great country, I am pleased to send you in the name of the Paraguayan Republic and people, our fervent congratulations and best wishes for success in your sensitive mission. I hope that the relations between our two countries will be strengthened further as we proceed on a path of peace, freedom, well-being, understanding, and cooperation in this historic moment for our Christian and Western civilization. I therefore reiterate my warm and cordial friendship."

Gen Schreiber Installed at Combat Support Command

PY1801221789 Asuncion ULTIMA HORA in Spanish 18 Jan 89 p 12

[Summary] This morning General Alejandro Fretes Davalos, Armed Forces chief of General Staff, installed Brigadier General Alejandro Schreiber as commander of the Combat Support Command. Schreiber replaces Division General Enrique Duarte Alder at the post.

Delegates to Venezuelan Inauguration Named

PY2301163689 Asuncion HOY in Spanish 23 Jan 89 p 10

[Summary] The Executive Branch has appointed the delegation that will officially represent the Paraguayan Government at the inauguration of Venezuelan President-elect Carlos Andres Perez on 2 February in Caracas.

The delegation will be headed by Justice and Labor Minister J. Eugenio Jacquet. Raul Monte Domecq, Paraguayan ambassador to the Venezuelan Government, and Colonel Daniel Idoyaga, Armed Forces attache at the embassy, will also attend.

'Escalation of Repression' Reported

PY2101134489 Asuncion HOY in Spanish 21 Jan 89 p 9

[Excerpt] Dr Miguel Angel Gonzalez Casabianca on 20 January reported that "a police cordon closed the Institute for the Development of Republican Thinking, an academic institution, and the management offices of the Colorado Popular Movement (MOPOCO)."

He added: "This is a mere repetition of other similar actions that have occured over the past few days and that reveal an unprecedented escalation of repression by the regime, which seeks to prevent or impede the normal exercise of human rights."

He stressed that "a government official said that the streets are for the police. Now this coercive power has extended even to private concerns, in an unprecedented procedure that violates the most essential constitutional principles." [passage omitted]

Police Cordon Off Downtown Asuncion Building

PY1801215089 Asuncion ULTIMA HORA in Spanish 18 Jan 89 p 8

[Text] Police cordonned off the entrance to Independence Building as of 0930 today. Miguel Abdon Saguier and his brother Hermes Rafael Saguier have their offices on the 5th floor of Independence Building, located on Independencia Nacional between Palma and Estrella Streets. According to people inside and outside the building, no one is allowed to enter or leave the premises. Those inside can communicate with the outside only by telephone.

Herminio Ruiz Diaz, militant of the Popular Movement for Change [a branch of the Authentic Radical Liberal Party] and two office girls, Zunilda Baez and Hilda Granado, remain inside Saguier's office.

Miguel Abdon Saguier tried to enter the building around 1000 this morning, but police prevented him from doing so. People thought he was going to be arrested, but he was allowed to leave unmolested.

As in previous cases, the reason given for the operation is: "Orders from above."

Several professionals have their offices in the building. One of them is Oscar Pacello, president of the Paraguayan Lawyers Association.

Police Contingent Cordons Off Radio Caritas

PY1801123189 Asuncion HOY in Spanish
18 Jan 89 p 8

[Excerpt] A police contingent at noon yesterday prevented two political leaders and a union leader from entering Radio Caritas. The leaders are Domingo Laino, president of the Authentic Radical Liberal Party, Hugo Richert, of the Popular Democratic Movement, and Alan Flores, of the Workers Intersyndical Movement. These leaders were to have participated in a Radio Caritas program called "In Transit," that is broadcast between 1315 and 1530. These leaders arrived at the radio station and found the police contingent blocking the entrance. "After shaking hands with a police commissioner, Laino asked him why the police had taken these measures. The policeman answered that the order came from higher officials." This report was given by Benjamin Fernandez, Radio Caritas press chief, who together with Jose Aranda, Executive Director of Radio Caritas, were also denied access to the radio station. [passage omitted]

Peru

Cabinet Signs Decree Creating Inca Region

PY2001023189 Lima Television Peruana in Spanish
0100 GMT 20 Jan 89

[Summary] President Alan Garcia today signed a decree creating the Inca Region, which includes the provinces of the Cuzco, Apurimac, and Madre de Dios Departments.

Economy Minister on Recent IDB Negotiations

PY2301223189 Lima Television Peruana in Spanish
1100 GMT 21 Jan 89

[Minister Carlos Rivas Davila's message reporting on his visit to the United States to discuss Peruvian economy and negotiate new money; date and place not given recorded]

[Text] I take this opportunity to report to the country on my recent visit to Washington and New York.

This visit had two very clear objectives. The first objective was to attend the IDB governors' meeting to discuss the increase in the bank's capital and more effective support to finance Latin American projects. The second objective was to outline the Peruvian economic program and discuss it with the international financial organizations and the highest-ranking officials of the IMF, the World Bank, the IDB, the Creditors Committee, and the United Nations. Our talks with the international financial organizations were very cordial and frank, and were marked by mutual respect.

As the economy minister, I have the obligation to report to the country on the economic policies to be adopted, which I reported to the Senate on 29 December 1988. I now must emphasize the great interest shown by the international economic organizations in the Peruvian Government's effort to control inflation, in the Peruvian Government's sovereign position on the foreign debt, and in the Peruvian Government's assertion that we are not refusing to pay the debt, but that we simply do not have the means to pay it—a difficulty being experienced by all Latin American and Third World countries, and not just Peru.

We have reached important agreements with the international financial organizations on the elements that create economic imbalance, and on the objectives and policies that must be contained in an economic program to fight inflation.

It must be made clear that we have not gone to the United States to fetch dollars. With that in mind, we realize that it was not right to say inadvisedly that we returned empty-handed. The objective of our trip was to hold talks with the international financial organizations, and we did so with great dignity.

I must now explain very clearly to all Peruvians that in order to grant us any help, the international financial organizations request that we politically commit ourselves to implementating a program to stabilize the economy and to control inflation. This means that there should be new economic shock measures. Such measures would include:

First, the establishment of a free-floating exchange rate; that is, the price of food, medicine, and other staples will be based on the price of the dollar in the parallel market.

Second, the true elimination of the fiscal deficit. This means that the monthly expenses of the central government and of the state-run companies must not surpass the legal amount of their monthly income and that the Central Bank cannot grant the public sector any loan in 1989. As a result, the government must be very strict in controlling its expenses, must reduce the number of its employees to an absolute minimum, and must suspend the implementation of projects in the education, health

[illegible]
25 January 1989

[illegible]

and other sectors. Subsidies will also have to be cut[illegible] eliminated, which will result in doubling and maybe tripling of the prices of certain foods.

Third, the [illegible] of pensions, real pensions rates [illegible]

Fourth, the elimination of all types of salary [illegible]

These policies, and several others, are part of the readjustment program that must be made known to all Peruvians, because the implementation of these measures has a high social cost, as we have had the opportunity to observe in countries that have implemented similar programs. As the people must be informed of the contents of such a program, it is our duty to make the truth known to all.

The international financial community believes that the IMF, the World Bank, and the IDB will have an important role in incorporating the Peruvian economy into the international credit system. However, before we can implement this economic negotiation, which would be coordinated by the IMF and the World Bank, our debt due to these organizations (over $1.1 billion) must be paid with money obtained through a bridge loan. We must consult [illegible] countries on the possibility of their lending us more than $1 billion so that our country can pay part of its debt to the IMF and the World Bank. It is expected that it will take 3 to 4 months to obtain this credit. If we obtain this money and pay these two institutions, we will then be able to obtain new loans from them.

We all know that this process requires some time to become a reality and cannot be achieved in a few weeks as I have just made. We also know that many Peruvians might have misinterpreted or under the people believe that instead of being an initial contact to hold talks we [illegible] could have immediately received a new loan. We all know very well that any country that works with these international financial organizations must go through these negotiations to obtain international credit and a positive flow of foreign currencies.

The IMF has requested that Peru pay part of the $1[illegible] billion debt now due to the IMF. Once this payment is made, and the IMF send a mission to Peru to [illegible] the policies I have just explained.

I must also point out that the IDB and the World Bank will send economic missions to Peru to study our [illegible] projects and analyze the economic policies we are implementing to fight inflation.

I must also tell you that we have agreed to an invitation from the Paris Club to discuss our foreign debt [illegible]

Another fundamental aspect in the government's economic program is the social component of program. Its main purpose is to help people who are most affected by the [illegible] and the financial crisis and shortcomings of this program.

I must take this opportunity to emphasize the positive and cordial meetings we held with UN Secretary General Javier Perez de Cuellar, who is our distinguished countryman. As UN secretary general and as a Peruvian citizen, he proposed to call on the international community to support both our economic program and our effort to meet the needs of the poorest strata of our society. At the meeting, it was also agreed that we ask friendly countries to send us food and medicine donations to support the programs being implemented in Peru.

It must also be emphasized that the foreign banks are interested in holding open talks with Peru. Within this framework, high-ranking officials of [illegible] our main creditor, visited us in Washington to express their interest in a formal meeting with Peruvian representatives to [illegible] with our open international relations policy, we will continue to hold talks with the main international financial organizations.

During my recent visit, we argued that Peru needs to control inflation and promote exports in order to prevent a social situation that can cause unpredictable consequences. We explained that Peru is going through a serious economic and social crisis and that the [illegible] is violence and poverty. We have explained that, in view of these facts, the implementation of an economic policy to fight inflation must be handled with care so as [illegible] have been done, because our national reality is different from that of other countries.

[illegible] I have also addressed you over the radio broadcasts that I have used to other occasions, to [illegible] with the guidelines and conditions with [illegible] bring you knowledge of the negotiations I conduct as [illegible] minister. I have also addressed you

I once again call on all Peruvians to help us overcome the crisis and defeat inflation.

Minister [illegible] Letter

[illegible]

[illegible] Later, [illegible] The organization held a Principal Exchange and Support Meeting [illegible] which [illegible] with the IMF and IDB are [illegible] for a [illegible] of political and economic issues in Peru.

Minister Rose Vasallo participated in the IDB governors meeting in Washington last week. She [illegible] with several [illegible] Bank, IMF, and [illegible] and World Bank president Barber [illegible].

Rose Vasallo went to the United States to [illegible] with the [illegible] trade representative, and to [illegible] Peru for the international financial [illegible] [illegible] a [illegible] to [illegible] for the [illegible]

While the CEO claims that 72 percent of its 410,000 members have joined the strike, the government has vowed to [illegible]

[illegible]

[illegible] Hospital Building Fell Into [illegible]

[illegible]

A company Wednesday, 22 Jan 2014, a [illegible] Port Jervis, Public Works Department today said that [illegible] a contract that the [illegible] project will [illegible] and one [illegible] the [illegible] between [illegible] and [illegible] [illegible] [illegible]